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A GREAT HOUSING CONGRESS IN LONDON

July 16-26

WHAT promises to be one of the most important opportunities afforded in many years to students of housing and city planning is found in the forthcoming International Congress on Housing and Town Planning which is to be held in London from July 16th to 20th.

The Official Programmes in preliminary form for this great world meeting on housing and town planning have recently been received in this country. They indicate that the present Congress, the 14th, is likely to be one of the most important and successful ones of all those held during the many years of this organization's existence.

This Congress is very rightly being held in England which has more to show at the present time in the fields of housing and town planning than probably any other country in the world, as England has been dealing with its housing and town planning problems in a resolute and effective way for many years—in a way that other countries might well copy to their advantage.

The Congress is being held with the support of the British Government, the Corporation of the City of London, the London County Council, other leading municipalities and the national Associations in England concerned with housing and town planning and is being held under the patronage of H.R.H. the Prince of Wales. The Minister of Health, the Rt. Hon. Sir Edward Hilton Young, M.P., is its Honorary President, with two former Ministers of Health, the Rt. Hon. Neville Chamberlain, M.P., present Chancellor of the Exchequer, and the Rt. Hon. Arthur Greenwood, M.P., as Vice-Presidents, in addition to the Lord Mayor of London and the Chairman of the London County Council.

In the Official Invitation, sent out over the signatures of Harry Barnes, Chairman of the British Committee and Chairman of the important Town Planning Committee of the London County Council,

an expert in both housing and town planning, John Nolen, the President of the International body, and George L. Pepler, Honorary Secretary of that organization and one of the principal town planners in England, it is pointed out that London is of particular interest at the moment to those concerned with housing and town planning, because of the many new developments in recent years.

Large-scale housing and slum clearance schemes have been carried out in addition to public works such as the construction of many new bridges, miles of arterial roads, new by-passes, additional underground railways, etc. It is stated that approximately 565,000 new dwellings were erected in the Greater London Region alone in the last 15 years.

Delegates will have an opportunity of seeing other parts of the country. Between 1919 and March 1934 about 2,330,000 dwellings have been erected in England and Wales, of which about 1,180,000 have been built with state assistance and about 1,150,000 without. The capital expenditure on the 1,180,000 dwellings built with state assistance is estimated at about £671,000,000 of which about £419,000,000 was expended by local authorities and £252,000,000 by private enterprise. State subsidies paid from 1919 to March 1934 on the 1,180,000 dwellings amounted to nearly £137,000,000 mostly in the form of annual grants for a period of years; they are quite distinct from municipal contributions. For the year ended March 1934 the State contribution was £13,432,626. New dwellings erected since March 1934 bring the total number at December 1934 to well over 2,500,000. These statistics include some rehousing resulting from slum clearances, but that work is in its earlier stages. Programmes now prepared by local authorities provide for clearing away nearly 300,000 slum dwellings within the next few years and replacing them by new dwellings.

Town and Regional Planning has made great progress in recent years. About 14,300,000 acres of land in England and Wales have come under planning control by reason either of schemes in force or of schemes in preparation. The total number of these schemes is 1,522. Executive Regional Planning Committees have been formed in over 90 Regions.

A TOUR OF ENGLAND

What is probably of even greater importance than the Congress itself and the opportunity it presents of meeting distinguished town planners and housing experts from all over the world is the tour of England that is to follow the Congress. This tour will begin at London

on Sunday, July 21st, and end in London on Friday, July 26th—thus taking the better part of a week. It will include visits to Harrogate, York, Leeds, Manchester, Bolton, Liverpool and Birmingham, thus affording an opportunity to see England's latest Garden City at Wythenshawe. It is stated that the approximate cost of the tour, including all expenses, railroad travel, motor coaches, hotels, &c., will be about £9. 10s. (a little less than \$50).

THE CONGRESS PAPERS

Following the usual custom, no Papers will be read at the Congress but will be printed in advance and sent in book form to the delegates so that they may read them before going to London. The meetings at the Congress will be taken up with discussions of these Papers by leaders in their respective fields. After the Congress, a final Report will be sent to members. Delegates are expected to pay a Congress fee of £1 (\$5) and ladies accompanying delegates 10 shillings. All delegates will be entitled to participate in the Official Receptions.

THE SUBJECTS DISCUSSED

The three principal subjects to be discussed at the Congress are: "The Rehousing of the People"; "Positive Planning"; and "Planned Rural Development and the Preservation of the Countryside."

It is expected that in discussing these questions the following aspects of each will be developed:

REHOUSING THE PEOPLE

The chief housing topic to be discussed at the Congress is the "Rehousing of the People" of the respective countries. In announcing this subject it is pointed out that the after-War housing shortage has in large measure been met in most countries and that, owing to many new dwellings of improved type having been built, a larger proportion of the population is better housed than ever before. It is suggested that it is necessary not only to increase this number but to extend it by removing slums and other unsatisfactory dwellings and by ending over-crowding.

The particular aspects of the question of rehousing the people which the Congress will consider have been stated as follows in the Official Invitation.

REHOUSING. What is being done to improve existing housing conditions? The abolition of slums comes first. But there are areas (that are not slums) where dwellings are drab, dreary and out of date,

streets are too narrow, garden space and playgrounds are inadequate, there are too many dwellings and people to the acre, and industrial, commercial and residential premises are indiscriminately mixed. It is not sufficient merely to demolish old houses and erect new tenement buildings. The problem is both a housing and a town planning problem. The need is for large-scale replanning combined with demolition, reconditioning, zoning and rebuilding. What schemes of this kind are being carried out?

RENTS. Despite housing subsidies many people are unable to afford satisfactory housing accommodation. This is so widespread as to enforce great hardships on large numbers of people and to be a great danger to public health and well-being. What is being done or has been proposed to solve the problem? Are existing subsidies applied to new houses, irrespective of the means of the occupants, or is there a differentiation of rents so that the poorer the family the larger the subsidy? What are the principles on which this matter should be dealt with?

OVERCROWDING. What is being done to remedy overcrowding and to prevent it from occurring in the future? Is overcrowding a punishable offence? Are proceedings taken against the landlord or against the tenant, or both? What are the principles on which this question should be dealt with?

EQUIPMENT AND FITTINGS. In recent years there has been a great advance in the method of equipping working class dwellings. Modern appliances are being provided for use in common and for use by the individual family. What is the experience with regard to these appliances and what can be done to increase their supply and to extend their use?

BUILDING THE DWELLINGS. Co-ordination of the activities of local authorities and private enterprise is essential. To what extent is there co-operation between public and private enterprise?

PUBLIC UTILITY SOCIETIES. What is the place of public utility societies in a large-scale housing programme? To what extent is co-operation with public authorities carried out? To what extent is the co-ordination of the activities of societies on a national or regional scale practicable and desirable to effect economy and efficient administration?

Among the housing leaders announced to discuss this question are the following:

An authoritative committee of British experts convened by Christian Barman, F.R.I.B.A., London.

K. Bjerregaard, Director, Municipal Housing Department, City of Copenhagen.

Giuseppe Gorla, C.E., Director of the Institute for People's Housing, Milan.

Rev. Charles Jenkinson, M.A., LL.B., Chairman of the Housing Committee of the Leeds City Council.

Arie Keppler, C.E., Housing Director of Amsterdam.

Dr. A. Mikušovič, Technical High School, Prague, and Dr. L. P. Prochazka, Chief Medical Officer, Prague.

Alderman Sir Miles E. Mitchell, Chairman of the Housing Committee of the Manchester City Council.

Ministerialrat Professor Dr. Friedrich Schmidt, Reich Ministry of Labor, Berlin.

Charles Szendy, Burgomaster of Budapest.

F. Lopez Valencia, Housing Department, Ministry of Labor, Madrid.

Lawrence Veiller, Secretary of the National Housing Association, Editor of *Housing*, New York.

Ministry of the Interior, Warsaw.

There will also be papers on Rehousing in London, Liverpool, Birmingham, Bolton and other British cities.

TOWN PLANNING

Two main aspects of town planning will be discussed—the first under the title of “Positive Planning”, the second, “Planned Rural Development and the Preservation of the Countryside”.

POSITIVE PLANNING

In calling attention to this question, the Official Invitation points out that much of the present-day planning is tentative; that plans are prepared on the basis that if, and when, development occurs, it shall be in accordance with the main lines of a plan prepared years in advance. The statement adds that although there is need for such plans, they have the disadvantage that many of them may never be realized. It is pointed out that the most urgent need for today is to find a means by which planning may be given a more realistic aspect; and questions are raised as to whether there should not be more attention paid to preparing plans that are intended to be carried out within a given time. The question is asked: “Are planning authorities endowed with sufficient powers to ensure this and, if so, why do they not exercise them?” It is suggested that the subject should be discussed along the following lines:

DEAD WEIGHT OF INERTIA. Are our difficulties primarily caused by the dead weight of inertia due to centralisation of population and industry and the lack of co-ordinated effort on the part of the different authorities to effect decentralisation? In nearly all countries there has been great improvement in the distribution of electrical power and the organisation of public transport and routes of communication (roads, waterways, etc.). The improvements in housing have also been considerable. Some of these improvements have been carried out on a national scale but no important attempt has been made to effect a real redistribution of population and industry.

PLANNING FOR DECENTRALISATION. The Amsterdam Congress of 1924 unanimously decided in favor of the creation of agricultural belts to limit the expansion of great cities and the development of satellite towns as a means of decentralisation. Should the attempt to make town planning more effective be coupled with a concerted effort to develop satellite towns in particular areas within a definite period by using all the economic and administrative powers at the disposal of the authorities?

WAYS AND MEANS. How can this be done? What steps are being taken in the different countries?

AVIATION. What steps can be taken to provide for this new means of transport by the provision of aerodromes and linking them by airways on a nationally planned system?

Some of the leading town planners who are to discuss this subject of “Positive Planning” are the following:

Professor Cesar Cort, Madrid.

O. Forchhammer, Chief of Town Planning Section, City Engineer's Department, Copenhagen.

Christian Gierloff, Director of Norwegian Housing Reform Association, Oslo.

Dr. Franz Musil, C.E., Town Planning Director, Vienna.

Stadtrat Niemeyer, Frankfurt on Main.

L. S. P. Scheffer, Chief of Town Planning Section, Department of Public Works, Amsterdam.

Renaat Soetewey, Brussels.

Dr. Virgilio Testa, General Secretary of the National Institute of Town Planning, Rome.

J. Vaněček, C.E., Town Planning Board, Prague, and Dr. Otakar Fierlinger, C.E., Ministry of Public Works, Prague.

An authoritative committee of British experts, convened by Sir Theodore Chambers, K.B.E., Chairman of Welwyn Garden City, Ltd.

Ministry of the Interior, Warsaw.

PLANNED RURAL DEVELOPMENT AND THE PRESERVATION OF THE COUNTRYSIDE

The other main town planning topic to be discussed is that of "Planned Rural Development and the Preservation of the Countryside". This has been looked at hitherto from a negative point of view, according to the Official Statement, the countryside having been regarded as in a static condition until urban exigencies leading to town extension, along with ribbon development and piecemeal absorption of the country have shown the need for its preservation. The Official Announcement raises the question whether this should not be viewed from a different standpoint and whether there should not be a conscious development of the countryside with due regard to the changing needs of agriculture and rural industries, having regard at the same time to plans for urban expansion. The following questions are raised in this connection:

What is being done or should be done in this direction? The use of modern agricultural machinery and modern transport, the development of industries that are dependent on agriculture and the widespread need for improved services such as water supply, electric power and drainage may lead to a new conception of the development of rural areas. To what extent is rural development being carried out and to what extent could it be carried out in accordance with plans based primarily on rural needs? Is this not in reality the only sound basis for preserving what is best in the countryside; for, apart from natural monuments, most of it has been developed by man.

These questions are to be discussed by the following town planning experts:

Stadtrat P. Dreijmanis, Architect, and A. Lamse, C.E., Architect, Town Planning Department, Riga.

Baudirektor Köster, Hamburg.

Dr. Franz Musil, C.E., Town Planning Director, Vienna.

Lord Phillimore, M.C.

Luigi Piccinato, C.E., Royal School of Architecture, Naples.

J. K. Riha, Prague, and Marie Schneiderova, C.E., Prague.

C. Th. Soerensen, Landscape Architect, Copenhagen.

P. Verhagen, C.E., Rotterdam.

Dr. M. L. Wilson, Assistant Secretary, Department of Agriculture, Washington, D.C.

THE PLACE OF MEETING

The Council of the Royal Institute of British Architects has very kindly placed its new building in Portland Place, near Regent's Park, at the disposal of the Congress from July 15th to 20th. This building, which was opened by H.M. the King last Fall, is a notable example of present-day architecture and is conveniently located; although within only a few minutes walking distance of the main West End traffic arteries, it is in the quiet neighborhood of Regent's Park. The building has two good halls for concurrent sessions of the Congress, and in addition there is a small hall which will be devoted to a select exhibition of the latest British housing, town planning and architectural work.

OFFICIAL RECEPTIONS AND VISITS

There will be two official receptions in London—one at Lancaster House, given by His Majesty's Government (evening dress), the other at the historic Guildhall, given by the Rt. Hon. the Lord Mayor and Corporation of the City of London (evening dress).

During the week of the Congress, afternoon visits to housing schemes in the London area will be made on the afternoons of July 16th and July 19th, and all of July 18th will be given up to a visit to England's first two Garden Cities—Letchworth and Welwyn. These visits will also enable delegates to inspect new arterial roads, by-passes, planning schemes and other public works.

BUSINESS SESSIONS

No time of the Congress is to be given up to long business sessions, as all of the necessary business meetings of the Federation, viz: those of the Executive Committee, the Council and the General Meeting of the members of the Federation will be held on Monday, July 15th, the day preceding the opening of the Congress, on which date the Bureau will be open for registration of delegates and for information.

Reduced rates have been arranged on behalf of visitors from the Continent; in addition, delegates traveling in Great Britain will be able to take advantage of a system of reduced fares in operation by which very much lower terms can be obtained than usually obtain.

Any American interested in either housing or town planning who can manage to make this trip to England will find himself more than repaid for the expenditure of time and money involved. With a very

intimate knowledge of conditions in England and the work done there during the past 15 years, it is our considered opinion that no opportunity has offered itself in recent years in the housing field so advantageous to persons interested in housing, as the present one. This occasion is an unparalleled chance for workers in that field in America to obtain information of great value to the work in their country.

Persons who are planning to attend the Congress will find it not only helpful to themselves but advantageous to those responsible for making the arrangements, if they will send word as soon as they have reached a definite decision to the Organizing Secretary, Mr. H. Chapman, International Federation for Housing and Town Planning, 25 Bedford Row, London, W. C. 1, England.

A HOUSING CONGRESS AT PRAGUE JUNE 23-26

A second International Housing Congress will be held prior to the London meeting at Prague from June 23rd to June 26th.

This Congress is called by the International Housing Association, located at Frankfort-am-Main, of which Dr. F. M. Wibaut of Amsterdam is President, and Professor Franz Schuster of Frankfort is General Secretary.

The principal subjects to be discussed at this Congress are Slum Clearance and Reconditioning of Insanitary Dwellings, Equipment and Fittings for Small Dwellings, and Redistribution of the Population Back to the Land.

Following the Conference there will be a tour starting from Prague on June 27th and ending on June 30th. This tour will be made to Zlin, an industrial settlement, to Brno and Bratislava.

GOVERNMENT HOUSING IN THE UNITED STATES

Today, the Government of the United States has embarked upon an extensive scheme of housing. Seven separate Departments of the Federal Government are actively engaged in housing work of one form or another.

It has authorized the direct expenditure of 150 million dollars for housing and has recently made available an additional 450 millions for this purpose.

The Government is clearing slums in various cities; it is building modern tenements upon the sites thus cleared; it is preparing to operate and manage these tenements when completed and to rent them to what they deem to be the low-income group—though to many the rents

to be charged would hardly seem to fall within that category; it has subsidized, both by large loans and outright grants, limited-dividend companies engaged in building houses.

It has embarked upon a vast scheme, with an elaborate campaign of propaganda, to bring about the modernizing and re-conditioning of homes by home owners for the purpose of stimulating the building industry; it is loaning money to individual home owners to enable them to pay off mortgages, to keep their homes from being sold for unpaid taxes and even to buy back homes which the individual home owner has lost through foreclosure due to his inability to meet payments on the mortgage.

It has developed and is carrying out a comprehensive scheme for home-financing and long-term amortized mortgages; it has developed a system of insurance of mortgages made by private loaning institutions, under Government supervision and guarantee, at low interest rates. It has abolished former evils with regard to the financing of homes and has substituted for them an equitable system.

It has provided a new method of establishing credit for the financing of homes, setting up a central credit reserve, furnishing credit to 12 regional banks established for that purpose which, in turn, are financing local lending institutions that make loans on homes.

It has created a new type of institution to facilitate building loans, similar to the private building and loan associations that have hitherto flourished in the United States. These institutions are local, mutual, institutions privately managed and exist for the purpose of home financing. They are owned locally by private investors in their respective communities. As a means of stabilizing and strengthening them and extending their sphere, the Federal Government is investing its funds in their shares in a ratio of not exceeding three times the shares held privately by local investors.

The Government has also entered upon a broad scheme of insurance, insuring the safety of accounts of building and loan associations throughout the country—even going so far as to make good to individual investors defaults made by such institutions.

In addition to these large-scale comprehensive schemes of financing, under which the Government has practically stepped into the field hitherto occupied by private banking, it has also embarked upon land resettlement schemes in the work being done in establishing what is known as subsistence homesteads—efforts to restore the over-balance of the urban population and provide living, partly upon the land, for those who no longer are able to hold their own in the industrial conflict.

It is developing new communities and settlements in connection with industry, particularly in the manufacture of light and power in the great Tennessee Valley Development in the Southern states; and finally it has gathered and is making available for the information of the citizens of the United States the most complete information about urban housing ever gathered in any country, as well as much valuable information about rural homes.

THE WORK OF THE PUBLIC WORKS ADMINISTRATION

The Government's present adventure in housing started three years ago when Congress passed the Emergency Relief and Construction Act, the purpose of which was to relieve destitution by creating employment through a public works programme. Included in that programme were low-cost housing and slum clearance work, but so surrounded with safeguards to protect the public interest that practically nothing was done under it.

It was not until a year later with the enactment of the National Industrial Recovery Act, that any active steps were taken by the Government to embark in housing work.

Under this Act, the enforcement of which was vested in the Public Works Administration, a Housing Division was created as part of that body. This was organized in July, 1933, and proceeded upon the basis of encouraging the development of limited-dividend corporations in different localities, which were to operate with Federal funds advanced as loans to as much as 85% of the value of the project, and with outright grants of 30% of the cost of the materials and labor involved where certain conditions were observed.

After six months endeavor in this field—during which period 557 proposals for limited-dividend housing and slum clearance projects involving the expenditure of 1000 million dollars were received, of which only 21 were considered to have sufficient merit to warrant an allocation of funds for this purpose and only 7 were finally approved—the Government came to the conclusion that it could not expect progress to be made by this method of procedure.

This was due to the fact that people in the various localities in which the housing projects were to be located were unable to provide even the small amount of capital necessary to meet the difference between the 85% of the cost of the project loaned by the Government and the total cost. Private capital proved to be quite unwilling to embark upon such enterprises at that time.

When the Government realized that it could not look to private enterprise to cooperate in these projects, it decided to change its policy

radically and did so, deciding that from that time on the Federal Government would do the housing work directly through its own agencies as Federal projects and no longer rely upon private enterprise or local initiative.

SLUM CLEARANCE AND REHOUSING

At the same time it decided to limit its activities to slum clearance and the rebuilding on the sites thus cleared of modern multiple-dwellings for persons in the lower income brackets.

This change of policy naturally involved a complete change of organization and of the machinery set up to carry out the earlier policy. In place of an organization to function in a supervisory capacity over private projects, it became necessary to set up one to handle a direct programme capable of indefinite expansion, practical administrators, builders, real estate experts, planners and architects had to be engaged.

The working out of the necessary new technique was slow. Those responsible had to learn by experience the most effective method of assembling land, as well as the numerous considerations involved in the design of dwellings of this type and in site planning.

But it is now reported on authority of the Cabinet officer in charge of this work that the slum clearance programme to which this branch of the Government's housing effort is now limited has at last gotten into its stride and is beginning to show results.

WHAT IS BEING DONE

Low-rent housing projects are now going forward in a large number of cities. Of the 7 limited-dividend projects (public utility schemes) in the programme involving allotments totalling \$12,647,678, three (3) are occupied, 3 are under construction and one is preparing to start. These projects when completed will provide accommodations for 3401 families.

Thirteen (13) projects are in various stages of actual progress in the cities of New York, Chicago, Atlanta, Cleveland, Indianapolis, Cincinnati, Detroit, Montgomery and Louisville. For these projects condemnation of land has been started or sites have been acquired or options upon the land secured. Existing slums have actually been torn down in Atlanta, Cleveland, Indianapolis, and Montgomery, preparatory to the re-development of the sites. These 13 projects, together with the balance available for New York City, will involve a total expenditure of \$82,807,000 and will supply housing accommodations for 19,340 families.

In addition, at the end of January there were 16 projects authorized, to cost \$30,821,000, in connection with which preliminary surveys had at that time been completed. These will provide accommodations for an additional 8,240 families.

Preliminary work had also been completed at that time on 20 other projects which can be put through promptly as funds become available. These will cost \$39,028,000 and will supply housing accommodations for approximately 11,180 families.

At the end of January the entire fund of \$150,000,000 earmarked for housing by Congress had been either expended or allocated.

The projects actually under way, those approved and those ready to be approved, will provide 42,161 individual dwellings. This exceeds the total residential building in the principal communities of the United States during the last two years for which accurate figures are available. According to official records, in the year 1932 in 364 cities and towns in the United States, there were built but 30,697 new residential units, consisting of all types of dwellings. In these same communities in 1933, the last year for which figures are available, there were but 28,424 family residential units constructed.

These figures, incidentally, illustrate the extent of the depression and its effect upon the building industry. In 1925 when residential building reached its peak, new residential construction for 491,222 families was constructed by private enterprise in 257 cities. The drop in construction from 491,222 families in 1925 to 28,424 in 1933 indicates what has been happening.

Recently the housing work met with a sudden check owing to the fact that the President decided to utilize \$110,000,000 of the money earmarked for housing, to meet the needs of the unemployed in direct relief during February. This left the Housing Division with only \$18,000,000 of the \$121,500,000 which it had allocated. Pending action by Congress on the Administration's new vast relief appropriation, the work of the Housing Division has necessarily had to mark time.

With the enactment of the new measure in recent weeks, there is now made available for the work of the Housing Division in slum clearance and re-housing work the sum of \$450,000,000.

Unless checked by court decisions invalidating the housing work of the Government, it may be expected that there will be a period of great activity on the part of the Federal Government in developing new low-cost housing projects and destroying existing slums.

THE FEDERAL HOUSING ADMINISTRATION

MORTGAGE INSURANCE AND MODERNIZATION OF HOMES

Proceeding along quite different lines from those of the Public Works Administration and not involving the use of huge grants of Federal funds to be met through taxation is the work of the Federal Housing Administration. This was established less than a year ago under the National Housing Act, passed in June, 1934, the purpose of which was stated to be "to encourage improvement in housing standards and conditions and to provide a system of mutual mortgage insurance and for other purposes."

This enactment has been characterized as the inauguration of the most important reform in home mortgage financing in the history of the United States. It deals primarily with the finance of housing and seeks to remedy serious evils that had existed prior to the Depression.

Its secondary purpose is to stimulate the building industry and to restore it, if not to normal activity, at least to increased activity.

The Federal Housing Administration is proceeding along three lines

1. A Modernization Credit Plan
2. Mortgage Insurance of Individual Homes
3. The Stimulation of new Large-Scale Housing Projects for Low-Income Groups

MODERNIZING BUILDINGS

The National Housing Act contemplates a far-reaching and wholesale scheme of encouraging property owners to modernize their buildings by making it easy for them to secure from private sources the necessary funds.

The method employed has been aptly described as a unique plan of credit insurance, whereby owners of real property may borrow from private financial institutions the money necessary, not merely to make up arrears in their maintenance, accumulating since the Depression began, but to modernize and improve their property to a degree far beyond its condition in times of prosperity.

The fact should not be overlooked that in the United States home ownership prevails. The average family owns the home it occupies.

During the Depression property owners have, naturally, hesitated to spend money for the improvement of their property or make the usual outlay necessary to maintain their properties in normal condition. As a result, buildings have greatly deteriorated and values have seri-

ously diminished because of increasing obsolescence and failure to maintain properties according to ordinary standards.

Both Congress and the Administration believed that a carefully worked out programme to bring about the maintenance of buildings by their owners and bring them up-to-date by the installation of new and improved fixtures and conveniences would stimulate the stagnant building industry and thus restore employment in an industry that was considered a basic one in the recovery of the country.

To bring about this result, the National Housing Act provides a means through an insurance system by which private lending institutions are encouraged to give unsecured personal credit to owners to repair, alter and improve their property.

A stupendous and comprehensive plan of public education and propaganda to bring about this result has been carried out by the Federal Housing Administration. The only effort comparable to it is the effort put forth during the War in bond-selling campaigns to raise funds for the financing of the War.

Citizens' Committees to forward this programme have been appointed in 7138 communities; 5705 different communities have been definitely organized; and 7,493,954 calls or visits have been made by canvassers with the result that work has been agreed to be undertaken to the amount of \$357,184,025.

This wide-spread Modernization campaign, carried on throughout the country during the past 8 months by the Federal Housing Administration, has sought to stimulate every branch of the building industry. Home owners have had pointed out to them what can be done in the way of improving their homes by bricklayers and masons; by carpenters, plasterers, plumbers, heating contractors, electrical contractors, paper-hangers and decorators, painters, manufacturers of roofing materials, of flooring and by landscaping. In fact, every aspect of building construction has been brought to the attention of the average home owner as a means of setting the wheels of industry going and bringing employment to the building trades, and at the same time giving the home owner a permanent value to his property by substantial improvements, made possible only by the use of funds, which otherwise would be "frozen credits".

In its Modernizing campaign the Federal Housing Administration has approved 13,201 financial institutions to make loans for this purpose. Modernizing loans have been made on 135,512 properties by 4779 institutions to an amount of \$56,801,870—the average loan being

for \$419 and the average income of the borrower but \$2810—an indication that the programme is reaching the man for whom it was intended.

The modernizing of buildings is but one aspect of the work of the Federal Housing Administration and of the scheme evolved to restore employment through stimulation of the building industry.

MORTGAGE INSURANCE OF INDIVIDUAL HOMES

The other and, perhaps, more important aspect deals with the financing of housing.

Under the provisions of the National Housing Act, the Federal Housing Administration has begun the development of a system intended to make the financing of home ownership simpler, sounder and less costly than ever before in the history of the country.

Because of the Depression the Government has stepped into the field hitherto occupied entirely by private enterprise. A new method of financing home ownership has been inaugurated with the strength of the Federal Government behind it—a change which promises to revolutionize the whole system of the finance of housing in this country.

In place of the old system by which insurance companies, private lenders, banks and other financial institutions made first mortgage loans upon homes and the real estate upon which they were situated, with secondary financing in the form of second mortgages and other liens, a new plan is now being carried out by which the Federal Housing Administration makes the long-term fully amortized first mortgage the standard practice for the financing of home ownership in future—with the property free of all other incumbrances, such as second mortgages or other junior liens.

As a means of doing this, the Federal Housing Administration has instituted a plan of mutual insurance for first mortgages that meet certain standards, terms and conditions.

The observance of these conditions, it is believed, will make the long-term fully amortized mortgage so attractive to everybody concerned in the financing of home ownership that other types of mortgages heretofore in existence will in future be rarely, if ever, used.

This long-range programme is to be carried out entirely by means of private capital and through private enterprise. The role of the Government is merely to coordinate the programme, to administer the mutual mortgage insurance plan and to supervise the operation of national mortgage associations.

Everybody concerned in the construction, ownership and occupancy of homes, it is expected, will benefit from this new system. The chief

beneficiaries will naturally be the owners of residential property; the financial institutions lending the funds for residential construction and for financing home ownership; and as new building is stimulated thereby, the construction industry and the industries related to it.

As a means of stimulating activity and encouraging the development of home building, the new Federal Housing Administration has fixed the interest rates that may be charged for loans of this kind at a basic rate of 5% for the whole country.

As pointed out by the President last November, this is a revolutionary change, as in the past there have been numerous instances where lenders have demanded and received 8%, 10% and even 12% on first mortgages and much higher rates on second mortgages.

The system of mutual mortgage insurance which is contemplated by the National Housing Act and which has been set up by the Federal Housing Administration is a method of reforming current home-lending practices. Its purpose is not primarily to stimulate new construction immediately, but with the security and liquidity it gives to lending institutions, it will probably make more money available for home building. It is primarily a mortgage programme aimed to stimulate a new building programme through private enterprise.

It involves no expenditure of Government money. The Federal Housing Administration lends money to nobody. It is a large mutual insurance corporation, but instead of insuring a man against loss of his life, it insures a lending institution against loss on its mortgages. For this insurance the mortgagee pays an annual insurance premium which he in turn collects in monthly installments along with interest and amortization from the mortgagor. In return for the added charge of the insurance, the mortgagor receives other benefits—primarily lower interest rates and reduced charges of other kinds.

The great financial institutions have supported the new scheme strongly. Although prior to the Depression individual lenders did about 20% of all the mortgage lending on homes in the country, they are ineligible for insurance. Until the work has developed further, the Federal Housing Administration does not plan to grant insurance privileges except to other than well established institutions. Later on it may modify these restrictions.

While the Federal Housing Administration has adopted rules with reference to the granting of mortgages, it is operating under a law that is quite specific on this subject. Both under the law and the rules, monthly payments of interest, amortization and insurance must be made; taxes and fire insurance must be included in the payments;

houses in which 1 to 4 families may dwell are alone eligible; no mortgage can be made for more than \$16,000; and 80% of the value of the property is the maximum permitted; amortization must not extend beyond a 20-year period.

There must be no second mortgage on the property at the time the insurance is issued. Where there are several mortgages, these are combined and united in a single amortized first mortgage. Thus, for example, on an existing house, if there were a first mortgage of 50% and a second of 25%, the two would be combined into a single amortized first mortgage of 75%. Although the Administration cannot prevent an owner from placing an additional mortgage on his property after insurance has been granted, it will warn all owners against such a practice and will urge lenders of funds for housing not to be a party to it. In the present situation where the Government plays so important a part in control of finances, there is little likelihood that many additional mortgages will be placed under these circumstances.

One of the most interesting changes brought about by the new scheme is the fact that the sole basis on which loans on homes are made will not be the basis of the past which has generally been the sale value of the property, but instead the standing of the borrower—his character and ability and standing in the community are to be considered as elements in the making of such loans.

The Federal Housing Administration has already adopted new standards of housing upon which it will make loans and through which it promises to have a potent and important influence upon the future housing development of the country.

While the insurance of mortgages on individual homes was started less than 5 months ago, in that time mortgages have been insured to an amount of \$10,934,855.—the average amount thus insured being \$4515.

LENDING FUNDS FOR NEW MULTIPLE-DWELLINGS

The third direction in which the Federal Housing Administration is proceeding is that authorized under the Act which permits the Administrator to insure first mortgages held by private limited-dividend corporations, formed for the purpose of providing housing for persons of low incomes, which are regulated or restricted as to the rents charged and in other ways. The limit of mortgages that may be thus placed is fixed at 10 million dollars for a single project.

Under this plan all types of housing are acceptable, depending only upon their fitness to the community and their intended occupancy. They may range from large Garden Apartments to groups of single-

family dwellings. They need have only a minimum equity, equal to the value of the land plus a reasonable cash operating capital. Where the Administration is satisfied with the scheme and the financial set-up, it will insure a mortgage covering the remainder of the value of the project.

It is the policy of the Administration to foster the development of these projects with private capital, to encourage financing at the lowest possible cost, to establish rentals consistent with the means of the tenants and with proper management, and to see that the projects thus developed provide reasonable and adequate light and air, space requirements, sanitary facilities and recreational features.

The work in this field is just starting. Already mortgages have been insured on 7 projects estimated to cost \$16,070,000. It is believed that this phase of activity of the Administration will ultimately prove to be one of the most important aspects of the National Housing Act and will serve to bring about a restoration of the building industry.

THE FEDERAL HOME LOAN BANK SYSTEM

Another governmental agency dealing entirely with the finance of housing and occupying a unique position in its field is the Federal Home Loan Bank System, established before the inauguration of the New Deal but added to and increased in scope under the present Administration.

The function of the Federal Home Loan Bank System is to encourage private capital to perform a fuller service in meeting the effective economic demands for mortgage loans to finance the country's small homes.

This is accomplished through four distinct programmes, administered under four separate governmental agencies, as follows:

- The Federal Home Loan Bank System
- The Home Owners' Loan Corporation
- The Federal Savings and Loan Division
- The Federal Savings and Loan Insurance Corporation.

All of these agencies devote their efforts to the financing of small urban homes. They do not concern themselves with the financing of large apartment buildings or other multiple-dwellings, nor do they enter the field of rural housing and aid in the financing of farm homes, as that class of homes is covered by other agencies of government.

In order that these important activities of the Government in aiding home financing may be understood, a word of explanation with reference to each is appropriate.

THE FEDERAL HOME LOAN BANK

This occupies a place in financing mortgages on homes comparable to the place occupied by the Federal Reserve System in the field of commercial banking. Its organization includes a Central Board in Washington, the Federal Home Loan Bank Board, and, under the supervision and direction of that Board, 12 Regional Federal Home Loan Banks, located conveniently throughout the country.

The primary function of the system is to serve as a central credit reserve for the expansion and stabilization of the home-financing resources of institutions of high standards equipped by their financial structure for the granting of mortgage loans on homes for long terms and which have entered into membership in the central body.

Such membership is available to building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies and savings banks, and is compulsory in the case of Federal Savings and Loan Associations.

While the 12 Regional Banks in this system give to the member organizations included in it an assured and permanent source of credit, both for short-term and long-term loans, their principal contribution to the financing of homes is that of granting loans on long terms on security consisting of first mortgages, secured either by the homes themselves or by homes combined with business properties.

The system is in effect a federation of numerous banking institutions with the primary purpose above described. How far-flung this organization is, is realized when it is known that on March 30th of this year this system comprised a membership of 3,203 financial institutions, mostly of the building and loan type. It is now the largest mortgage reserve structure in the world. Its members hold practically one-half of the entire \$7,000,000,000 of home mortgage resources of all the 10,000 or more building and loan associations in the United States. The credit available to its member institutions is now in excess of \$250,000,000.

THE HOME OWNERS' LOAN CORPORATION

The second agency created to facilitate the financing of homes is the Home Owners' Loan Corporation. This is an emergency agency established solely for the purpose of meeting the crisis in the home mortgage field that existed at the time of its creation.

Its function is to grant mortgage loans on long terms at low interest rates directly to individual home-owners who are unable under present conditions to secure needed financing through private channels and are in urgent need of funds either (1) to save their homes from

mortgage foreclosure or from sale for non-payment of taxes; or (2) to recover their homes recently lost through such foreclosure; or (3) to recondition homes facing serious deterioration for want of necessary maintenance and repairs.

Under the terms of the Act creating it, this emergency agency will discontinue making further loans when Congress or the President certify that the emergency has passed. If that event does not occur before June 13th, 1936, the Corporation will on that date discontinue making new loans and will limit its future activities to the collection and servicing of loans granted prior to that time.

How important this agency is, is realized from a statement of what it has done thus far. When it was created in June, 1933, two years ago, foreclosures of homes numbered over 1000 a day—the highest in the country's history. Over 90% of the loans granted by this agency have been made for the purpose of re-financing defaulted mortgages and of enabling owners to save their homes from foreclosure.

In addition to preventing thousands of foreclosures and evictions the re-financing operations of the Corporation have already stabilized real estate values, have liquidated over two billion dollars (\$2,000,000,000) of "frozen" mortgage credit, have checked the cycle of deflation, and arrested the further disintegration of the entire mortgage credit structure. At the end of March of this year this Corporation had made some 840,000 loans totalling approximately \$2,536,000,000 and had on file at that time nearly 375,000 additional applications for loans which appeared to be eligible.

THE FEDERAL SAVINGS AND LOAN DIVISION

A third agency created to deal with the financing of homes is that known as the Federal Savings and Loan Division. This is designed to relieve local shortages of funds for home mortgages, where existing facilities are either totally lacking or are altogether inadequate, by organizing Federal Savings and Loan Associations—a new type of home-financing institution. It also operates by enabling existing state-chartered members of the Federal Home Loan Bank System to reorganize under federal charters for more effective service.

This new type of home financing institution, the Federal Savings and Loan Association, is a local privately managed mutual thrift and home-financing institution, operating under the supervision of the Federal Home Loan Bank Board on a plan similar to that of building and loan associations and mutual savings banks. All Federal Savings and Loan Associations are required to become members of the Federal

Home Loan Bank system and to insure the savings of their investors with the Federal Savings and Loan Insurance Corporation, the fourth financing agency which we shall refer to later.

Each Federal Association is owned locally by the citizens of the community, who hold its shares. Its management is vested in the hands of experienced local executives. In order to encourage the immediate organization of these institutions and to enable them to meet the mortgage needs of their respective communities at an early date, the Federal Government invests its funds in the shares of one of these Associations to an amount not exceeding three times the amount which may be paid in by private shareholders.

Most of the assets of such an Association consist of first mortgages in amounts of \$20,000 or less for each loan; these mortgages are secured by homes or by homes combined with business properties which must be located within 50 miles of the local Association's office. The loans are granted for terms of not less than 5 nor more than 20 years and are repaid without exception on a monthly installment plan.

At the end of March of this year, 752 such Associations with total assets of \$213,000,000 had been organized in more than 500 communities throughout the country where previously there had been an acute and chronic shortage of funds for home financing. Two hundred and twenty-five of these (225) are institutions formerly operating under state charter but converted to the new form of organization. In addition, there were on file at that date 317 applications for approval of new similar organizations. When these are approved the aggregate assets of all these Associations will exceed \$554,000,000.

THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

The fourth form of agency created to aid in the financing of homes is that known as the Federal Savings and Loan Insurance Corporation. This performs a service in the field of home financing analogous to that of the Federal Deposit Insurance Corporation in the field of commercial banking.

Its function is to insure the safety of investments in solvent and soundly operated building and loan associations, savings and loan associations, homestead associations, and cooperative banks. Insurance of accounts is compulsory for all Federal Savings and Loan Associations, the form of institution just described.

The primary function of this agency is to insure the *safety* of accounts. It is so organized that its members, the building and loan associations and similar bodies just referred to, are assured that their

accumulated savings will not be impaired in the event of the default or insolvency of the insured institution. It serves a further purpose in assisting these institutions to maintain and increase the good will and confidence of the investing public, as well as to attract new capital for use in the home mortgage field.

The total investment of each member of an insured institution is protected for its full repurchasable or withdrawable value up to a maximum amount of \$5000. If the institution in question defaults, this central Corporation at once pays all of the valid credit obligations of the insured institution and offers each insured member the choice of two alternative methods of settlement of the claim either (1) a new account in an insured institution in an amount equivalent to the insured value of the original account, or (2) repayment of the amount of the insured account as follows: 10% immediately in cash, 45% in non-interest bearing debenture securities of the insurance corporation maturing 1 year after the date of default, and the remaining 45% in similar debentures repayable in 3 years. Insurance premiums are paid by the institution and are based on the aggregate of all accounts held by insured members, plus its total creditor liabilities.

At the end of March of this year, this Corporation had been actively receiving and acting on applications for a period of but six and a half months. At that time, the Board had approved 693 applications for insurance filed by institutions with assets aggregating approximately \$261,000,000. At that time, 210 additional applications were pending. When these are approved, the total assets of insured institutions operating through this agency will exceed \$500,000,000.



It is seen from the above account that the Government has embarked upon a broadly comprehensive plan of financing homes, undertaking services and functions hitherto left entirely to private enterprise. The reason for this has been the almost complete breaking down of the banking system of the country and of the country's financial structure under the stress of the Depression.

How much of this Government activity will continue when the Depression ends, remains to be seen. Undoubtedly, much that is highly beneficial to the country will be continued in some form or another. One thing is sure—that the system of long-term credit financing on easy terms will undoubtedly replace the unsatisfactory system of short-term mortgages granted by private enterprise that was the rule prior to the Depression.

THE SUBSISTENCE HOMESTEADS

This account of present housing activities in the United States and of the efforts of the Government in this field would not be complete without reference, brief though it must be, to three other agencies which have, incidentally, undertaken housing as part of their activities.

These are the Subsistence Homestead projects, the power development under the Tennessee Valley Authority, and the more or less experimental work undertaken by the Federal Emergency Relief Administration in putting unemployed persons to work building houses in rural or semi-rural communities.

Probably the most interesting of these experiments is that known as the Subsistence Homesteads. There have been many attempts in the United States to return people from the cities back to the land, but this present-day attempt differs materially from all previous ones.

It is not merely a "back-to-the farm" movement, but is an attempt to do many different things. It is seeking primarily to promote the decentralization of the over-balance of population in large industrial centers, drawing people from overcrowded urban areas to suburban, rural and small town communities where definite economic and social agencies are promised. It is also an attempt to promote economic stability, national and individual, by proving the worth of a system that combines payroll employment with part-time farming on small plots of carefully selected land. It seeks to emphasize the family and the home as the social unit. It will encourage the development of community life and provide varied opportunities for creative industrial work.

A majority of the projects are located near industrial centers where the homesteaders are already employed usually part-time or seasonally. In these communities, therefore, the tracts of land are generally small, varying in size from $\frac{3}{4}$ of an acre to 5 acres.

Four (4) projects are being developed to care for stranded populations, comprised chiefly of families of men formerly engaged in mining and lumbering—in Pennsylvania, West Virginia and Tennessee.

Three projects—in Georgia, North Carolina and Mississippi—are entirely rural, attempting to effect a re-organization of disorganized rural communities and eliminate rural slums on land sub-marginal for agriculture.

Several projects are being initiated for Negroes.

Individual homestead lands vary in size from $\frac{3}{4}$ of an acre to 200 acres and include a 3 to 6-room house, such outbuildings as may be necessary and usually seed and fertilizer, essential farming and garden-

ing tools, a small flock of chickens, and frequently a pig or two, a horse or a cow. All of these are included in the amount which the homesteader agrees to repay, amortized over 30 years with interest on the unpaid principal at 3%. The monthly payment the homesteader must make approximates \$12.65 for a \$3,000 homestead—the average price paid.

To date some 60 projects have been approved. Forty-six (46) of these have been publicly announced and work has been initiated on approximately 40.

The communities being established include from 25 to 350 homesteads.

Selection of families for the homesteads is made only after careful inquiry into character and ability, past record, interest and fitness for agricultural productiveness, present employment status and prospects for continued employment of the homesteader. Sources of cash income are essential in order that all payments will be made regularly.

Competent, technical local guidance and advice, particularly in the fields of agriculture and home economics, is essential for most of the families—at least during the initial transition period. This is usually arranged for through the cooperation of existing additional and service agencies such as the State Agricultural Colleges and Experiment Stations and Agricultural Extension Services.

OTHER ACTIVITIES

There are two other directions in which the Government is undertaking housing. One is in the development of an entire community in connection with the great power development in Tennessee, under the Tennessee Valley Authority. The housing work undertaken here is incidental to the development of a complete community whose chief function is supplying power from a great dam located there, and distributing and selling this power throughout the region.

Another governmental activity in the housing field has been that undertaken by the Federal Emergency Relief Administration as an incident to putting unemployed men at work where the results of their work would have value for themselves and for others. The work thus developed has been largely experimental for the purpose of determining the cost involved and the procedure that might be advantageously followed when funds become available for more extensive work in this field.

With the primary object of furnishing employment to unemployed workers, a small community was developed in the State of Texas. One

hundred (100) families selected from the public relief rolls of the city of Houston, Texas, now occupy the homes which were constructed in this fashion. This Texas project included a portion of 300 acres, community houses, a work center, a trading post, community dairy, streets, schools, water works and other public facilities. The average cost per family for rent, based on amortization of the funds at 3% through a 25-year period, is fixed at \$15 a month. A similar community was started last August in West Virginia. This involved the building of 150 homes with the same public utilities and facilities as were provided in the Texas scheme. Other communities in a similar fashion have been developed in other parts of the country by utilizing unemployed labor.

How far this work will be expanded in future is not at present known. It is dependent largely upon decisions reached at Washington.

THE FACTS ABOUT URBAN HOUSING

THE REAL PROPERTY INVENTORY

This picture of the activity of the Government in the housing field would be incomplete if it failed to record the extremely valuable service rendered the country through what is known as the Real Property Inventory.

For years housing workers have been pointing out the need of more accurate information on many of the aspects of housing than had been available up to that time and organized efforts were made at various times in the past to secure the inclusion in the Census taken by the United States Government every 10 years of at least some of this information—but without success.

The Depression has not been altogether a calamity. Had it not been for it, much valuable information and work that has been done as a means of finding employment for people who sorely needed it would never have been done. A case in point is the Real Property Inventory.

Utilizing the vast army of the unemployed among the so-called "white collar" class, the U. S. Department of Commerce organized the most complete survey of housing conditions in the United States that has ever been made. It may be said that for the first time the facts about housing for the country as a whole were obtained.

A complete census of residential structures was taken in 64 cities, so selected as to give a representative cross-section of urban America. Every state in the Union was represented by one or more cities. Both small and large communities were included, as well as a wide range from the industrial point of view.

The result of this census of conditions in 2,633,135 dwelling units is now available to the public and from it one is able to draw a fairly clear picture of housing conditions as they exist today in American cities.

THE TYPICAL AMERICAN HOME

Based on the facts thus obtained, the typical American home may be described as a single-family dwelling, about 19 years old, of wood or frame construction and containing 5 rooms. It is equipped with either a bathtub or shower and provided with indoor water closet. It uses electricity for lighting and gas for cooking. Heat is supplied as a rule by a stove, although over 31% of all dwelling units use warm-air furnaces. Coal is the principal fuel used. The complete Report giving the results of this census will repay the closest study on the part of all persons who wish to get a really accurate picture of urban housing conditions in the United States as they exist at the present time.

As a result of this census, it is stated that the United States needs 1,500,000 new homes at the present time.

RESULTS ACHIEVED

The results thus far achieved in providing better housing are in no sense commensurate with the activity put into this effort. So far as the actual number of new housing accommodations is concerned, it is so slight as to be negligible. The work of actual construction got off to a late start. A year from now there will probably be more definite results to show; and, if the plans of the Government are not interfered with, it is likely that there will be a substantial number of people housed by that time. This is subject, however, to one very important and serious limitation.

The right of the Federal Government to use taxpayers' money for housing is still an undetermined question. The whole constructional side of the Government's work as found in the work of the Housing Division of the Public Works Administration is vitally affected by the terms of the federal and state Constitutions which all provide that private property can only be taken for a "public use". All of the slum clearance schemes and the rehousing upon their sites involve the taking of private property by the Government.

Up to the present, there have been three cases in which owners of private property have challenged in the courts the right of the Government to engage in work of this kind, on the ground that the hous-

ing of private families and private persons is not a "public use", as that term has come to be understood in the law. There are two schools of thought exemplified in the legal decisions of the country as to the meaning and scope of the words "public use" in connection with the exercise of the power of Eminent Domain. One of these holds that "public use" is synonymous with public benefit, public advantage and general welfare, while the other holds that "public use" means use by the Government itself in the performance of governmental functions, or a use or service *open or available to all or a part of the public as of right*.

A Federal District Court in one of these cases took the view that the first theory is an untenable one and cited decisions of the courts heretofore deemed to be controlling.

This decision has been appealed to the higher Federal Court and is likely to be decided before many months have passed. If the decision of the lower court is sustained, the question will undoubtedly be carried to the court of last resort, the United States Supreme Court, whose determination will be final and controlling.

If that court should confirm the findings of the trial court and hold that to constitute a "public use" property must be open or available to all of the public, then the housing work being undertaken by the Public Works Administration would have to cease.



THE PERMANENT SOLUTION OF THE PROBLEM

It may not be inappropriate to inquire to what extent the effort being made by the Government contributes to the permanent solution of the country's housing problems.

Frankly, we see little that can be said to tend in this direction. Even the wholesale effort of the Government in its slum clearance work does not seem to promise to add much to the ultimate solution of the slum problem, as this work is being done by the Federal Government with Federal funds made available only as a means of relieving unemployment and stimulating the building industry in a time of depression. In normal times these funds will not be available. The chief obstacle to slum clearance heretofore has been to find a way of paying the cost of it. In preventing future slums, there is nothing in the Government's programme that holds promise of results. In the field of rent reduction, of bringing about more equitable rents, of providing wholesome and decent living accommodations on a rental basis within the paying ability of the great mass of the people, there is

nothing in the present policy which holds promise for the future in the way of solution of this aspect of the housing problem.

In the field of reducing over-crowding, nothing is being attempted or contemplated. The subject is not even being discussed. There is one direction in which the present efforts of the Government will probably influence the future housing of the country and that is in encouraging people to demand conveniences of living and standards of equipment in their homes heretofore considered to be something that could be achieved only by persons of larger earning capacity. The furnishing to people in the lower income groups of electric elevators, of artificial refrigeration, electric light, central heating, hard wood floors, practically all the luxuries of living enjoyed today by the well-to-do classes, represents a change in living standards—which from some points of view may be an advance, but which hardly contributes to the solution of the housing problem.

So far as private enterprise is concerned as a factor in providing the country's future housing accommodations, the present efforts all tend to drive private enterprise from the housing field—a field it has exclusively occupied until recently.

THE FUTURE COURSE OF HOUSING

It would indeed be a bold person who would attempt to prophesy the direction that the course of housing is likely to take in either the immediate or remote future. Will the Government continue to occupy the housing field? Will private enterprise resume its normal functions? Will slum clearance become a real and practical thing, a continuing effort, accomplished on a basis that will not impose such burdens upon the taxpayer as to make any comprehensive scheme of slum clearance impossible?

Will the cost of housing assume a basis that will bring new housing within the purchasing power of the working class? Will Labor be content with a reasonable reward for its efforts, or will it continue to demand a share so beyond the capacity of others to pay that the cost of decent housing will continue to be prohibitive to people of low income? Will the Government continue to subsidize housing in one form or another? Will the taxpayers of the country be willing to continue to bear the burdens imposed by such subsidies or will they insist upon a return to the methods heretofore in vogue by which all housing has been provided through private enterprise?

And, finally, will the people of the country as a whole be willing to spend adequately on homes or will they consider automobiles, radios

and various forms of pleasure something more to be sought after and desired than a home—as they seem to do at the present time?

These are some of the pertinent and practical questions that arise as one contemplates the present housing situation.

Federal and
THE HOUSING WORK OF THE PUBLIC WORKS
ADMINISTRATION

Low-rent public housing is a new type of endeavor in this country. It has received the attention for some years of a number of students of the subject but previous to the past year has not been a matter of general interest.

As a whole, the nation has been apathetic about its slums and their crying need for betterment. It was not until President Roosevelt took office that anything decisive was done about the problem. Taking the stand that the slum no longer has a place in American life, the President personally sponsored a programme which would point the way to its removal.

The Public Works Administration, embarking on a gigantic construction programme to create employment and revive industry, offered the most ready vehicle through which such a programme could be carried out. Slum clearance and low-rent housing offered opportunities for long-range employment—and a more socially useful programme hardly could be found.

Accordingly, the Housing Division was organized as a branch of the Public Works Administration and the first American programme of slum clearance and low-rent housing was entrusted to it. The Public Works Administration made approximately \$150,000,000 available and work began.

The problem faced was manifold. Little truly effective planning had been done for low-rent housing in any city. As a whole the public had no conception of what a low-rent housing and slum clearance programme meant. We were working in an untrodden field, on an undertaking for which there was no precedent.

Two years ago, had funds been made available for public housing, it is doubtful whether any city in this country would have been able to have made sufficiently intelligent decisions regarding the place, nature and amount of housing it would be willing to accept as a life-time investment and thus permit immediate action with an adequate programme.

In addition to the problem of emergency employment as opposed to adequate planning, there are other considerations that must be weighed, one against the other, in formulating a Public Housing Programme.

PUBLIC HOUSING—PRIVATE ENTERPRISE

First, there is the problem of the proper division of work between public and private enterprise. Out of the first 500 applications received by the Housing Division, those that were truly public could be counted on one hand. The rest were in the form of limited-dividend projects which usually called for 6% interest on the equity and were not eligible for a Government grant of 30% of the cost of the labor and materials. After some months of study, it was concluded that the limited-dividend type of project could not produce a truly low rental. In order to operate in the low-rental field and thus have less direct competitive effect on commercial housing, the Division is now financing only public housing projects. These projects are under public sponsorship, are non-profit earning and are eligible for the 30% grant.

LOW RENTALS—SLUM CLEARANCE

A balance must be reached between low-rent and slum clearance. In some cities it is possible to clear slums and produce low rentals; in others, this is out of the question. This leads to the consideration of another comparison—that is, the present depressed real estate market and its relation to the potential housing shortage.

In the early stages of its work the Housing Division frequently encountered opposition to any plans that would increase the number of dwelling units in a city. This opposition was based usually upon a casual observation or count of the number of housing accommodations actually vacant and did not take into account such factors as lack of building activity, increasing population, deferred marriages, demolition, families living temporarily doubled up, and the number of vacant accommodations reported in buildings unfit for habitation.

While it is true that the real estate market is depressed, it is generally recognized that a severe housing shortage is impending and it would be folly not to plan now for meeting this shortage.

STANDARDS AND LOW RENTALS

A reasonable balance must also be achieved between better housing standards and low rentals. The unrestricted exercise of idealism would result in the production of housing, which, though it might be of fine

character, would be beyond the reach of those classes by whom it is most needed. To secure a reasonable adjustment between these two factors an intimate knowledge of present standards is necessary and an intelligent estimate of the trend of living habits during the next 40 years is invaluable.

It is necessary, also, to compare housing for the present with housing for the future. The Housing Division could readily provide a mediocre class of accommodation comparable with the cheaper commercial housing of the past. Such housing would come quite close to the present abnormally low-rental levels but within 10 to 15 years would become a distinct liability to the community.

LAND VALUES AND ACQUISITION

The Housing Division is faced with the necessity of establishing fair prices on real properties which have undergone during the past decade tremendous fluctuations in price. The Division acknowledges that there is a general social responsibility for the practices that have driven land prices to a point at which they are too high for low-rent housing. However, it is not possible or desirable to penalize the present owners of such properties for the mistakes of the past generation by arbitrarily expropriating them. The only fair procedure consists of paying a reasonable market value reflecting the value of present tax assessments, as well as the general decline in real estate prices during recent years. If prices thus computed are still so high as to preclude the possibility of low rentals, other sites must be considered or a portion of the land cost must be defrayed by a direct subsidy.

LOCAL RESPONSIBILITY

A balance must also be reached between federal and local activities. If public housing progress were dependent upon the exercise of power by local authorities and the Federal Government limited its activities to financing only, over one-half of the projects now under consideration could not be realized.

It is the Housing Division's sincere desire to leave to local bodies certain powers in regard to the development of their projects. There are few local authorities, however, that are fully authorized and equipped to develop their own public housing programmes. For the sake of expedition and uniform procedure, it will be necessary for the Federal Government to maintain active control over all developments during this first stage of a national public housing programme.

There is another aspect of local responsibility which is somewhat painful to discuss with local authorities. Repeatedly, the Housing Division has found cities that are extremely enthusiastic about the housing programme, as long as it consists only in receiving "hand-outs" from the Federal Government. These localities in question go to some pains to convince Washington that they have hundreds of dwellings that are a menace to public health, morals and welfare. Yet these localities have been standing idly by, failing to demolish such dwellings by an exercise of the police power that would cost them little or nothing. Too often, there is an expectation that Washington will take over these sub-standard dwellings and pay for them.

If there is any obligation that is distinctly local it is that of eliminating housing that can be proven in court to be a menace to the community. This should be done by the exercise of legitimate police power and without reference to special financial aid from the central government. The demolition of unfit buildings by local governments could well be made a prerequisite to federal aid for new projects.

TAXATION

A problem that has caused much argument ever since the inauguration of the public housing programme is that of taxation. The Housing Division is seeking to arrive at a balance between reasonable rentals paid by low wage earners and the portion of such rentals that should be paid to the municipality for, or in lieu of, taxes. The traditional policy of real estate taxation in this country cannot be followed in public housing projects. Low-rental housing cannot exist on land which is taxed on a basis of potential earnings for other than low-rent housing use, or on some possible speculative selling price. The Housing Division, although it may appear at variance with some organized real estate interests, agrees in general with these interests that the present real estate tax as applied without reference to earning ability of properties is unjust and dangerous and that real property is bearing too great a tax burden. Without revising a great part of our city pattern, it is apparent that persons of low income must continue to live in areas where the land values are now far in excess of those compatible with the tenants' economic status. Some variation in the tax system as it applies to these people is necessary.

WHAT IS BEING DONE

Our field is limited. We are building for that part of the population for which private initiative has been unwilling or unable to provide

decent homes on an economic basis. Obviously, there is a group that cannot be reached in any self-liquidating building project. The expected tenancy of Housing Division projects will have family incomes of from \$600 to \$1600 per year.

We are, therefore, demonstrating that decent, well planned dwellings can be built for low-income tenancy; that low interest rates and long-term amortization are feasible; and that housing is a sound investment, if well-planned and on a scale large enough to provide a well integrated community, capable of protecting itself from neighborhood obsolescence.

The Housing Division is making every effort to fit projects to local needs. Its programme includes several forms of activity, such as replacement on site; construction on unoccupied land; demolition of substandard housing on one site and the provision of accommodations elsewhere; and the rehabilitation of buildings in connection with new construction, in order to supply a certain grade of transitional housing where this may be highly desirable.

The initial stage of the housing programme was based upon a general allotment of approximately \$150,000,000. The exact extent of the second stage under the recent appropriations has not been determined, but it must be obvious that a prime factor in the execution of any programme of such magnitude is a well balanced organization. From the small nucleus with which the Division was inaugurated, the staff has been expanded until at present it consists of some 350 members of which over 250 are stationed in Washington. The field staff will be rapidly augmented as new projects are organized.

THE ADMINISTRATIVE MECHANISM

The Housing Division comprises in addition to its Executive Staff, a Legal, an Administrative and Five Technical Branches. The Executive Staff outlines and directs the work of the branches, coordinating their operations with each other and with other agencies or organizations with which the Division must work. The Administrative Branch establishes and maintains for central and field offices all administrative functions—including personnel, accounts and auditing, mail and files, stenographic and clerical services, supplies, records and reports, space allocation, research and information.

Two Sections of the Administrative Branch have functions of general interest. Research and Information accumulates, coordinates, edits and disseminates general information relating directly or indirectly to public housing. This Section cooperated with the Public

Health Service in the preparation of material on the relationship of Housing and Health. It is now cooperating with the Department of Justice on an investigation into the relationship of housing to delinquency and crime and sponsoring the production of a new treatise on "Slums and Blighted Areas in the United States" by Dr. Edith Elmer Wood.

The Bureau of Records and Reports assembles, compiles, records and promulgates all statistical and factual information emanating from or produced by branches or outside agencies in connection with the business and accomplishments of the Housing Division.

The Legal Branch advises on procedure to insure functioning in accordance with powers conferred by Title II of the National Industrial Recovery Act and applicable state and federal laws. It prepares contracts, prepares or approves condemnation procedure, cooperates with the Department of Justice in litigation, renders opinions on questions submitted and assists in the preparation of state or federal housing legislation.

THE FIVE TECHNICAL BRANCHES

Branch I is that of Initiation. Its name is expressive of its duties which run from the first preliminary contacts in a city until a specific project is formulated as far as approval of preliminary architects' sketches. It makes all preliminary, social, economic and other investigations and recommends sponsorship, location, size, rental-range and general elements of design for each project. Its representatives go into various towns and get all the information necessary for the financial report required on every project undertaken. In this financial report is indicated the cost of land, buildings and grounds and professional fees, with allowances for contingencies, vacancies, and taxes and an estimate of operating charges, taxes, expenditures and income. In other words, it is sought to build up these projects on a sound financial basis so that the rent paid will be on a basis that will result eventually in the money expended being paid back to the United States, less the grant for labor and materials.

The Bureau of Plans and Specifications is organized with assistants qualified in achitecture, landscape architecture and structural and mechanical engineering to undertake research into standards of cost, materials and methods, and to supervise the work of local technicians in the development of projects along sound technical lines. It provides a complete consulting service in the preparation of project plans and specifications and has responsibility for their adequacy and completion on schedule. This branch has a planning section devoting its efforts

to the development of maximum efficiency and minimum cost in low-cost housing plans. It is issuing a manual on standards of planning.

Branch III deals with Land Acquisition. To this part of our organization is assigned the difficult task of assembling at fair prices large tracts of urban land. Preliminary and incidental to this work is that of securing appraisals, title certificates, physical surveys, and aerial photographs. It investigates land values and titles, coordinates price negotiations, takes options and contracts with local personnel therefor.

We may be buying the land in a town, but we do not talk about it. We may be taking options, but we do not know we can buy until we have obtained the proper figure. When we have 50 or 60% of the options at a satisfactory figure, then we know we can begin to talk about it—everybody in the town may have known about it for two or three months, but it is only then that we say we are going to build a housing project in that particular community. Here in Washington we took 40% options on a site but the remainder was so high that we abandoned the project.

Branch IV is that of Construction. Its duty is to supervise bidding and the letting of demolition and building contracts and, in cooperation with another Division of the Public Works Administration, to supervise construction to a point where the projects are complete and ready for occupancy.

Finally, there is a Bureau of Management. This has been set up to undertake research into problems of upkeep, maintenance and project management, including the social relationships with tenants. Its functions will include as well the training of properly qualified managers and supervision of local management organization. It recognizes that housing is not an end in itself but a means toward rehabilitation. It is fully realized that the success of public housing in this country will be dependent largely on its management.



It will be seen that every branch of the housing field is recognized and covered in the staff organization. In addition to the permanent staff there is a sizable staff of consulting experts whose services are available as occasion requires. A good foundation has been established for a programme, nation-wide in its scope and running into the hundreds of millions. It is interesting to note that from the beginning of 1933 to the current year, the total cost of this ground-work—not merely

the initiating of the present organization, but the cost of experimental work which failed to bear the expected fruit, is \$365,000—a small organization-cost in proportion to the work in hand.

HORATIO B. HACKETT
Director of Housing, Public Works Administration,
Washington

STATUS OF HOUSING PROJECTS

Revised to May 8, 1935.

The status of the more advanced Projects is indicated by the following detailed statement:

FEDERAL PROJECTS

- ATLANTA:** **TECHWOOD.** This project is to provide 604 living units and dormitory quarters for Georgia Institute of Technology. New housing to consist of 3-story dormitory and 3-story apartments. Architects, Burge & Stevens, Atlanta. Contract awarded to J. A. Jones Construction Company, Atlanta, Ga. Construction under way.
- UNIVERSITY.** Title acquired for site demolition of existing buildings completed, and construction under way. To provide 675 living units. New Housing to consist of 2- and 3-story flats and row houses. Architects, Edwards & Sayward, Atlanta. Contract awarded to N. P. Severin Company, Chicago.
- INDIANAPOLIS:** Title to site acquired. Demolition completed. Construction bids invited. Project provides 1044 living units. 2- and 3-story apartments and row houses. Architects, William L. Russ and Merritt Harrison, Indianapolis.
- NEW YORK:** **WILLIAMSBURG, Brooklyn**—Under principles agreed to by the City of New York and the Municipal Housing Authority, land is being purchased by the Federal Government for a 21 acre project. Condemnation proceedings opened and demolition bids invited. New housing to be erected by New York Municipal Housing Authority through PWA loans and grants. *Other projects* under consideration. Around 5,000 living units will be provided under the programme according to preliminary estimates.
- CHICAGO:** **WEST SIDE.** 135-acre project to accommodate about 3,900 families. Chairman of architects, John Holabird, Chicago. Condemnation proceedings started.
- SOUTH PARK GARDENS.** 57-acre project to accommodate approximately 1,700 families. Chairman of architects, Clark, Wright, Chicago. Condemnation proceedings started.
- BLACKHAWK PARK.** 80-acre project to accommodate about 2,250 families. Chairman of architects, Robert DeGolyer. Condemnation proceedings started.
- CLEVELAND:** **CEDAR CENTRAL.** Title to site acquired and demolition completed. Construction bids opened May 7. Project provides 654 living units in 3-story apartments. Architect, Walter R. McCornack.
- OUTHWAITE.** Condemnation proceedings started against site and demolition bids invited. Project will provide 635 living units. Flats and row houses. Architects, Maier, Walsh and Barrett.
- WEST SIDE.** 22-acre project—600 living units. Condemnation proceedings started against site. Architect, J. L. Weinburg, Cleveland. Two- and 3-story apartments and 2-story duplex houses.
- CINCINNATI:** Option work started. Preliminary estimate, 24 acres, 1,278 living units. Architects, Frederick W. Garber & Associates.

- DETROIT:** Option work started. Size of project dependent upon extent of site acquired. 34 acres, 1,032 living units. Architects, Eastfield Associates,—Geo. D. Mason, Chairman.
- MONTGOMERY:** THURMAN STREET. Title to site acquired and demolition of buildings completed. Construction bids invited. Project to provide 158 1- and 2-story row houses. Architects, Moreland G. Smith & Carl B. Cooper.
- BELL STREET. Title to site acquired. Project to provide 100 living units in 1- and 2-story row houses. Walter A. Ausfeld, Harry B. Jones, Architects.
- LOUISVILLE:** Condemnation proceedings filed. Awaiting court decision. Project will provide upwards of 460 living units in 2- and 3-story walk-up apartments.
- BOSTON:** Condemnation proceedings filed against site. Project will provide around 960 living units according to preliminary estimates. Probably 3-story walk-up apartments. Chief Architect, J. D. Leland, 804 Statler Building, Boston, Massachusetts.
- MILWAUKEE:** Site under option. Project will provide approximately 458 living units in apartments and row houses. Chairman of Architects, Gerritt G. deGelleke.
- NASHVILLE:** 2101—20 acres—275 living units, 2-story apartment flats, 1-story row houses. Designed for white occupancy. Site 99% under option. Architect, Richard R. Clark, Nashville.
- 2102—22 acres—550 living units, 2-story apartments and 1- and 2-story row houses. Designed for colored occupancy. Site 92% under option. Architect, Richard R. Clark, Nashville.

LIMITED-DIVIDEND PROJECTS

PROJECTS OCCUPIED

- ALTAVISTA, VIRGINIA:** ALTAVISTA HOUSING CORPORATION. Project consists of 50 small, single-family, frame houses. Houses complete. Applicant's representative,—H. M. Lane, Altavista, Virginia. Architects—Johnson and Braanon, Lynchburg, Virginia.
- PHILADELPHIA:** JUNIATA PARK HOUSING CORPORATION—"CARL MACKLEY HOUSES"—To provide approximately 284 living units (1,085 rooms). Apartments, 3-story. Applicant's representative—John W. Edelman, 2721 North Fifth Street, Philadelphia, Pa. Architect—W. Pope Barney, Philadelphia. First unit completed. Also second and third units ready for occupancy.
- EUCLID, OHIO:** EUCLID HOUSING CORPORATION. Project consists of individual and double houses to be erected by persons owning property with Corporation aid. Applicant's representative—C. R. Ely, Mayor of Euclid. Architect—George B. Mayer, 1030 Schofield Street, Cleveland. 15 houses completed and occupied; 12 under construction.

PROJECTS UNDER CONSTRUCTION

- NEW YORK:** HILLSIDE HOUSING CORPORATION—(BRONX). To provide about 1,400 living units (4,948 rooms). Apartments. Highest 6 stories. Applicant's representative—Andrew J. Eken, Empire State Building. Architect, Clarence S. Stein, 56 West 45th Street, New York City.
- BOULEVARD GARDENS, INC.—(QUEENS). To provide approximately 958 living units (3,246 rooms). Apartments. Highest unit 6 stories. Applicant's representative—G. C. Meyer, 3111 55th Street, Woodside, L. I. Architect—T. H. Engelhart, 101 W. 31st Street, New York.
- ST. LOUIS:** NEIGHBORHOOD GARDENS. To provide about 252 living units (641 rooms). Apartments. Applicant's representative—J. A. Wolf, 1000 N. 19th Street, St. Louis. Architects—Hoener, Baum & Froese, Grand Boulevard at Laclede Avenue, St. Louis.
- RALEIGH, N. C.:** BOYLAN HOUSING CORPORATION. To provide 54 living units (180 rooms). Apartments. Applicant's representative—Rufus T. Boylan, Raleigh, N. C. Architects—Linthicum & Linthicum. Contractor T. A. Loving Company, Goldsboro, N. C.

SUBSISTENCE HOMESTEADS

It is a prime conviction of the present Administration that to every desirous citizen belongs the right to look forward to a life—of reasonable security, of activities sufficiently varied to allow a maximum development of cultural ability, and of promise adequate to sustain interest, hope and ambition. In the Subsistence Homestead idea with its vast future possibilities this conviction perhaps achieves its fullest expression. With the tearing down of the dead walls, which in the past have been too frequently their only outlook, the Government is affording to thousands of its under-privileged citizens new and far reaching vistas, is leading them into the pleasant prospect of lives that are “rooms with a view.”

The Division of Subsistence Homesteads was created for the purpose of carrying out that provision of the National Industrial Recovery Act which reads as follows:

To provide for the redistribution of population in industrial centers \$25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans for and otherwise aiding in the purchase of subsistence homesteads. The moneys collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section.

Administration of the Subsistence Homesteads programme was delegated to the Secretary of the Interior who directed the formation of the Federal Subsistence Homesteads Corporation to serve as the Division's operating agency.

Work of necessity has been brought under way slowly. Once again the Government had stepped into an entirely new field—one in which no benefits from previous experience could be drawn—and cautious procedure was imperative, not only for assurance of success from a social point of view but because the programme is intended as one of demonstration, with the hope that other agencies may in time see fit to follow the federal lead. The tempo is now increasing, however, as the Division through its own accumulation of experience is gradually acquiring the necessary planes of reference to allow more swift and decisive progress.

WHAT IT IS

Over 60 projects in all quarters of the nation have been approved. Work has been initiated on some 30 of these—675 houses having been completed and 700 additional houses are now in process of construction or under contract. The remaining projects have received allotments of funds and work on these will shortly be under way.

The homestead movement is an attempt to demonstrate the advantages both social and economic, individual and national, of a combination of payroll employment and part-time farming. With the advent of the shorter work-week and the probability of its increasing shortness in the future, industrial workers with annual income of less than \$1200 will be afforded by this plan a means of profitably utilizing a portion of their free time by raising the major portion of the food required by their families—thus augmenting their cash incomes by as much as \$300 worth of farm produce.

THE TYPICAL HOMESTEAD

A homestead comprises a small house and the necessary outbuildings, such farming implements as may be required, seed sufficient for the first year, usually a small flock of chickens, and frequently a cow, a horse or a couple of pigs. All of these are included in the purchase price. The plots vary from three-quarters of an acre in communities near large cities to 20 or 30 acres in rural areas.

Under the purchase contract, monthly payments of \$4.21 per thousand dollars of homestead cost are made over a period of 30 years, interest on the unpaid principle being at 3%. Thus on a \$3,000 homestead—which is the average cost—a family is enabled to purchase a pleasant modern country home by making monthly payments of a little over \$12, which is as low as and frequently lower, than the rentals now being paid by such families for quarters often unfit for habitation.

It is interesting to note that at the end of April, out of the 243 homesteaders then making monthly payments, only 5 accounts were delinquent—and these in the sum of only \$81.15.

Additional homesteaders are moving in as fast as their accommodations can be completed, over 1000 families now having received approval.

Houses vary from 3 to 6 rooms, and are designed to combine the maximum attainable attractiveness of appearance with possibility of efficient and simple operation. Wherever possible these are constructed of local materials, both for reasons of economy and in order that local traditions may be maintained.

Since the period of amortization is to be 30 years, the houses must be sufficiently well built to last during that time and to require a minimum of repairs—and these capable of being made at very low cost. Furthermore, the types in design are such that it is expected that they will not become obsolete before they are completely paid for. Houses

are now being planned and built at a cost range of from \$1500 to \$3000, seldom exceeding the latter figure.

The building of the low-cost houses is being accomplished through adoption of machine methods of production. Designs are made to fit commercial stock sizes and stock materials. Doors and windows only of a standard size are being used. All downstairs ceilings are 8 feet and second floor ceilings 7½ feet. Cross ventilation, adapted to the varying climatic conditions of the country, is secured by the proper placing of doors and windows.

Detailed instructions have been formulated to guide in keeping costs low and in meeting the necessities in such construction. A few such instructions are as follows:

Kitchens should be rectangular in shape rather than square. They should have light and ventilation on two sides.
The living room should be directly accessible to the kitchen.
The front door must not open directly into the living room in cold climates.
A combination work and living porch is recommended.
Elevations should omit all superfluous design.

Building construction is being carried on both by contracts let to private builders and the use of the labor of prospective homesteaders—the Division in the latter case acting as the contractor. In addition to making it possible for the homesteader to acquire his property at less cost, the second method holds definite social benefits through increasing his adaptability to new forms of work and creating a bond between him and his house that should prove more than the mere sense of possession.

Homesteaders working on the house in which they may ultimately reside receive payment partly in cash and partly in the equity in their homes.

THE COMMUNITIES

The majority of the sites lie where public utilities are available. No central light or power plants are being constructed; as these, besides costing prohibitive initial sums, might later entail maintenance difficulties. There is, however, the possibility in certain localities that employment may be made of individual gas plants for cooking, incidental heating and lighting. On certain of the projects where public facilities are not available it has been necessary to drill wells and build community reservoirs.

Medical services are being provided for only a few of the communities, as most of the projects undertaken lie on the peripheries of urban areas where medical attention is readily obtainable. On the Hights-

town, New Jersey, project a physician and a dentist will be in residence. At Crossville, Tennessee, a local physician who may later himself become a homesteader is working in accordance with a health insurance plan. A medical center is proposed for the Reedsville, West Virginia, project, where a doctor, a dentist and a nurse will be permanently located. In some cases the United States Public Health Service is cooperating with the Division and sending doctors and nurses into the areas where certain of the projects are located to supplement local medical facilities.

RURAL INDUSTRIAL COMMUNITIES

The projects are of several types. By far the majority are rural industrial communities located near industrial centers where the homesteaders are drawing their cash income from employment in existing plants—frequently seasonal or part-time. Projects of this type, among others, are located at Birmingham, Ala.; Youngstown, Ohio; Denver, Colo.; Austin, Minn.; Houston, Texas; Rochester, N. Y.; Longview, Wash.; Libertyville, Ill.; Tulsa, Okla.; Raleigh, N. C.; and Tupelo, Miss.

The communities at Wilmington, N. C., Monticello, Georgia, and Richton, Miss., are entirely rural. Here the Division has departed somewhat from its main course and effected the removal of families from lands unfit for agricultural purposes in rural slum areas to locations where farming operations may be successfully carried on.

At Greensburg, Pa., Elkins and Reedsville, W. Va., and Crossville, Tenn., projects are being developed to deal with the problems of stranded industrial groups. Those who are to reside in these settlements are families whose incomes were derived from employment in extractive industries no longer existent and who are thus left with no means of self support and no possibilities for the future. To provide sources of cash income, community enterprises are being developed, handicrafts encouraged and the cooperation of industry, through the establishment of small private manufacturing plants, is being sought and is beginning to be obtained.

AN URBAN GROUP

A project differing somewhat from the rest is being developed at Hightstown, N. J., planned to accommodate 200 Jewish needletrade workers and their families, and outstanding by reason of the fact that it will be the first subsistence community in which the major activities of the homesteaders will be conducted on a cooperative basis.

Jersey Homesteads will be developed with an allotment of \$850,000 advanced by the Division of Subsistence Homesteads plus a down payment of \$100,000—\$500 per family, contributed by the homesteaders themselves. Each family will purchase and own individually its home and a one-acre tract. The remainder of the land will be devoted to the various cooperative enterprises. Two cooperative organizations will be formed—one agricultural and the other industrial. Under the first, a community dairy, orchard and poultry farm will be operated; and such produce as hay, grain and potatoes raised. Most important of the non-agricultural enterprises will be a garment factory manufacturing women's sportswear, which will provide employment for the community's workers and allow them the cash income necessary to meet the monthly payments on their homesteads.

Several communities near Tuskegee, Alabama, and one at Newport News, Va., are being planned to deal with the problem of the tenant farmer and share cropper—those in Alabama being planned with the cooperation of officials of Tuskegee Institute and intended particularly for the accommodation of Negro families.

As must be true of any agency operating in a new field, and particularly in one where the alternatives are many and the degree of experimentation necessarily high, the Division of Subsistence Homesteads has not escaped errors. It has probably made its fair share of mistakes. But it is also enjoying its successes—and the number of these is not inconsiderable.

ADVERSE COMMENT

Its work has not been allowed to proceed without an abundant and ever ready flow of adverse criticism. Some of this is undoubtedly merited. That some of it is due to overemphasis of its errors by opponents of the plan is equally without doubt and merely accords with customary human experience.

From certain quarters the contention is made that the Federal Government in entering the field of low-cost subsistence housing has committed an impropriety, and is infringing upon the rights of private interests. To persons so minded it might be pointed out that, broadly speaking, the Government has not entered the field. It has created it. Interest in housing for the lowest income groups has never been very apparent. The margin of possible profit for the private builder is too small for him to be able to consider advantageous the effort and risks involved. Few builders, moreover, would find it feasible to extend an amortization period to 30 years, with interest as low as 3%.

The persons whom the Government is aiding through the subsistence homestead programme are those who could in no way obtain financial assistance from other sources—those who have been obliged to carry on a mean existence in sub-standard houses cast off by higher income groups as dwelling places no longer fit for their habitation. The Government is thus aiding those who could afford to pay for homes only through an arrangement such as this, under which no initial sum is required and monthly payments do not exceed and frequently fall below ordinary rental figures.

If this programme is one of objectionable and unnecessary competition with private building, the quickest way to prove it to be such would be for private builders to engage in similar undertakings themselves. Land and materials are certainly there and tenants are available in staggering plenty.

NO REAL COMPETITION WITH PRIVATE ENTERPRISE

It is quite understandable that private builders may not be interested in embarking on programmes such as this. What is somewhat less readily comprehensible is that, unwilling or unable to undertake construction of this nature themselves, they make strenuous objection to the Government's attempt to deal with this problem. Were it one they could profitably include in their activities they would most certainly have long since done so, and there would be no need for the present Federal endeavor. Rather than invading the field of private enterprise, the Government is going where private enterprise has not been able to see its way clear to go. When one recalls that an estimated two thirds of the population cannot pay a rental or purchase price high enough to produce a commercial profit on a new dwelling satisfactory to the commercial builder who must face many risks—and that of this large majority of the population one half lives in structures unfit for human occupancy, it would seem eminently proper that the Government should do so. If private enterprise can devise ways that will permit it to follow, so much the better.

A NEW WAY OF LIFE

Subsistence homesteading as planned by the Government is more than a mere programme of housing, however. It is a new way of life. The movement has future possibilities of such great scope that it might almost be rightly called the inauguration of a new national way of life. It constitutes a belated public recognition of two things: the desperate need for adequate and improved low-cost housing in this country—doubly appalling when one recalls the prosperous overglow

of the last decade; and the fact that—like it or not, and try as some may to prevent or deny it—our economy is changing.

One is tired of arduous recitals on the sudden descent upon us of an “economy of plenty”, and dismal heraldings of increasing technological unemployment. But the fact remains that it is now physically possible for us to produce all that we can under our present system consume; and that, even during the comparative torpor of the past five years, startling numbers of workers in certain industries have been displaced by improved machine design. Whether this latter trend is in part responsible for the fact that—despite a notable increase in industrial production in recent months—relief rolls have mounted considerably, may or may not be so. Nor is it possible to know with any degree of certainty whether the technologically displaced will be absorbed by new industrial endeavors, as many of our wishful thinkers so stoutly maintain. If this absorption can in time take place it will be because means will have been devised to increase our power of consumption.

What is fairly certain is that the work-week will probably remain shortened and may in the not so distant future be even further curtailed; and that the security of workingmen, dwindling even during the twenties, has now reached its startling vanishing point. The homestead programme, in encouraging the ownership of houses, in initiating movements of population from crowded urban areas to suburban and rural regions, is attempting to provide to those, who otherwise could hold no hope of property ownership, homes and gardens that will be a pleasure and benefit in good times and a refuge and means of surviving—not only without chaos but with reasonable calm—when conditions like those of the present prevail.

It carries with it the important corollary of further resumption of an old and too long neglected American way of life. For, the subsistence idea is one both old and native. It will mean the re-creation of community living for persons who have been lost in the anonymity of lives led in the most crowded areas of large cities. For these, it will signify the rebirth of both a sturdy independence and the salutary necessities of mutual interdependence and responsibility which life in the smaller group entails. And—perhaps most importantly for the preservation of whatever may be worth while in human nature—it endows these families with a future and a hope.

C. E. PYNCHON

General Manager, Subsistence Homesteads
Corporation, Washington

SUBSISTENCE HOMESTEADS

ANNOUNCED PROJECTS, No. OF HOUSES AND ALLOTMENT FOR EACH.

<i>State</i>	<i>Project</i>	<i>No. Houses</i>	<i>Allotment</i>
Alabama	Birmingham	300	\$ 750,000
	Jasper	100	244,000
	Tuskegee	100	200,000
Arizona	Phoenix	300	500,000
Arkansas	Undetermined		
California	Los Angeles	140	410,000
Colorado	Denver	100	365,000
	Pueblo	100	200,000
Delaware	Wilmington	70	210,000
Georgia	Monticello	50	334,000
Illinois	Libertyville	90	275,000
	West Frankfort	200	550,000
Indiana	Decatur	48	145,000
Iowa	Granger	50	175,000
Louisiana	Bastrop	50	112,500
Minnesota	Austin	44	160,000
	Duluth	40	104,000
Mississippi	Hattiesburg	24	80,000
	Laurel	25	80,000
	Meridian	25	80,000
	McComb	37	106,000
	Richton	25	100,000
	Tupelo	25	80,000
New Jersey	Hightstown	200	850,000
New York	Rochester	33	100,000
N. Carolina	Raleigh	60	195,000
		300	1,000,000
Ohio	Dayton (1st Unit)	35	50,000
	Dayton (4 New Units)	165	309,400
	Youngstown	139	500,000
Oklahoma	Tulsa	70	125,000
Pennsylvania	Greensburg	250	625,000
S. Carolina	LaFrance	20	50,000
	Taylors	40	100,000
Tennessee	Crossville	350	825,000
Texas	Beaumont	50	150,000
	Dallas	80	250,000
	Houston	100	280,000
	Marshall	35	125,000
	Three Rivers	50	145,000
	Wichita	62	171,000
Virginia	Luray	340	310,000
	Newport News	100	245,000
Washington	Longview	60	175,000
West Virginia	Elkins	270	675,000
	Reedsville	190	1,500,000
	Indian Projects		400,000
	Virgin Islands	143	242,000

THE FACTS ABOUT URBAN HOUSING

THE REAL PROPERTY INVENTORY

A little more than a year ago the Government was launching its campaign to provide employment for the needy during the critical winter months on the theory that made-work was more desirable than an outright dole. Most of the projects were designed to aid the unemployed of the manual labor class, though it was recognized that much distress prevailed among clerical and professional workers also and projects were sought which would meet their need.

The Real Property Inventory* was one of the projects designed to fill this gap. It was planned by the Bureau of Foreign and Domestic Commerce in cooperation with other interested governmental and industrial groups and carried out with the aid of the Census Bureau. A complete census of residential structures was taken in 64 cities, so selected as to give a representative cross-section of urban America. Every state in the Union was represented by one or more cities. Both small and large communities were included, as well as a wide range of industrial diversification.

The project was designed to fill one of the larger gaps remaining in the statistical measure of our economy. It included in addition to the complete census of residential structures and dwelling units a sample survey of significant financial items such as mortgage status and family income.

Begun in December 1933, the field work was completed by March and the first press release was issued by April 10, 1934. Press releases for each of the 64 cities made preliminary data available by September 15th. A complete set of final tables was finished and ready for printing by September 25.

** Final reports on the Real Property Inventory are now available in the form of rotoprint bulletins for each of the 64 cities, at a charge of 10 cents per copy or \$5. for a complete set. Each bulletin contains 18pp of text and 5 large tables for each city and a breakdown of the metropolitan district into 3 sets of 5 tables for those cities having a metropolitan district. Apply to Bureau of Foreign and Domestic Commerce, Washington.*

THE AMERICAN HOME

On the basis of the data collected from 2,633,135 dwelling units, it is possible to draw a fairly clear picture of housing conditions as they exist in American cities today.

Nearly 80% of all residential structures in the cities canvassed were single-family dwellings. Two-family dwellings accounted for 13% of the total, while all others made up less than 8% of all structures. If the survey had included more of the larger cities these ratios might show a greater proportion of the total in multiple dwellings. However, even in Cleveland, a city of more than a million inhabitants, 41.5% were single-family houses. In the same city 28.8% were two-family structures, while 29.7% included apartments, row houses or "terraces" and other types of residential structures, as well as those not reported by type.

As to the age of homes, nearly 26% of the structures were reported to have been built 10 to 20 years ago. Less than 7% had been built within 5 years, while 26% were built not more than 10 years ago. Eighteen per cent (18%) were reported to be from 20 to 30 years of age, 22% from 30 to 55 years, while 8% were reported to be more than 50 years of age.

THE MATERIALS OF THE BUILDINGS

America, in contrast with most Old World countries, makes a much larger use of wood in home building. Eighty-three and a half per cent (83½%) of all single-family residential structures in the 64 American cities were of wood. Brick houses accounted for but 8.7% of the total, stucco houses 6.5%, and all other types, including stone and cement blocks, made up but 1.3% of all structures. While actual counts are not available for European countries, it is believed that most of them would show a predominant proportion of the residential properties to be of masonry construction and a much smaller percentage of lumber. Even in this country there is considerable variation from city to city, some sections of the country showing a much larger percentage of brick or stucco homes than others.

MATERIALS OF THE BUILDINGS

MATERIAL	NUMBER OF BUILDINGS	PERCENT OF TOTAL
	1,536,806	100.0
Wood	1,283,497	83.5
Brick	134,441	8.7
Stone	3,563	.2
Concrete	5,644	.4
Stucco	99,525	6.5
Other	9,011	.6
Not Reported	1,125	.1

THE SIZE OF THE HOME

The typical home occupied by its owner was considerably larger than the average rented home. In 26 of the 64 cities it contained 7 rooms or more, whereas in only 10 cities was the typical rented home as large. Over 83% of all single-family homes occupied by their owners had 5 or more rooms compared with 63% with that number in rented single-family homes.

In only 3 of the 64 cities did the home occupied by its owner have less than 5 rooms, while the typical rented home had less than 5 rooms in 17 of the cities. Interesting sectional differences are revealed by the data. In the northern cities, and particularly in New England, there was a tendency for both rented and owner-occupied homes to have more rooms than was true of the average for all cities. One important factor in this situation is the Negro housing problem. While no direct data on Negro housing were gathered in the survey, a racial breakdown by whites and other races throws light on the subject. Rented dwelling units occupied by whites contain on the average more rooms than those occupied by other races. The 5-room rented house was typical for whites, while the typical rented home for other races had but 3 rooms. Over 75% of the rented dwellings occupied by others than the white race had less than 5 rooms. For homes occupied by their owners about 83% of those owned by whites have 5 rooms or more and nearly 30% have 7 rooms or more. The corresponding figures for homes owned by other races are about 57% and 14%, respectively.

NUMBER OF ROOMS

SIZE OF HOUSE	OWNER—OCCUPIED		RENTED	
	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL
1 Room	860,465	100.00	676,341	100.00
2 Rooms	3,013	.35	6,725	1.00
3 Rooms	11,390	1.32	28,448	4.21
4 Rooms	35,725	4.15	87,927	13.00
5 Rooms	93,847	10.91	127,238	18.81
6 Rooms	218,390	25.38	180,139	26.63
7 Rooms	222,912	25.91	132,594	19.60
	275,188	31.98	113,270	16.75

THE HOUSEHOLD EQUIPMENT

Interesting and important differences are found in the mechanical equipment and sanitary facilities of homes occupied by their owners and in rented dwellings. Nearly 21% of the former were equipped with mechanical refrigeration compared with slightly over 14% in

IN 64 CITIES

[POPULATION 9,793,371]

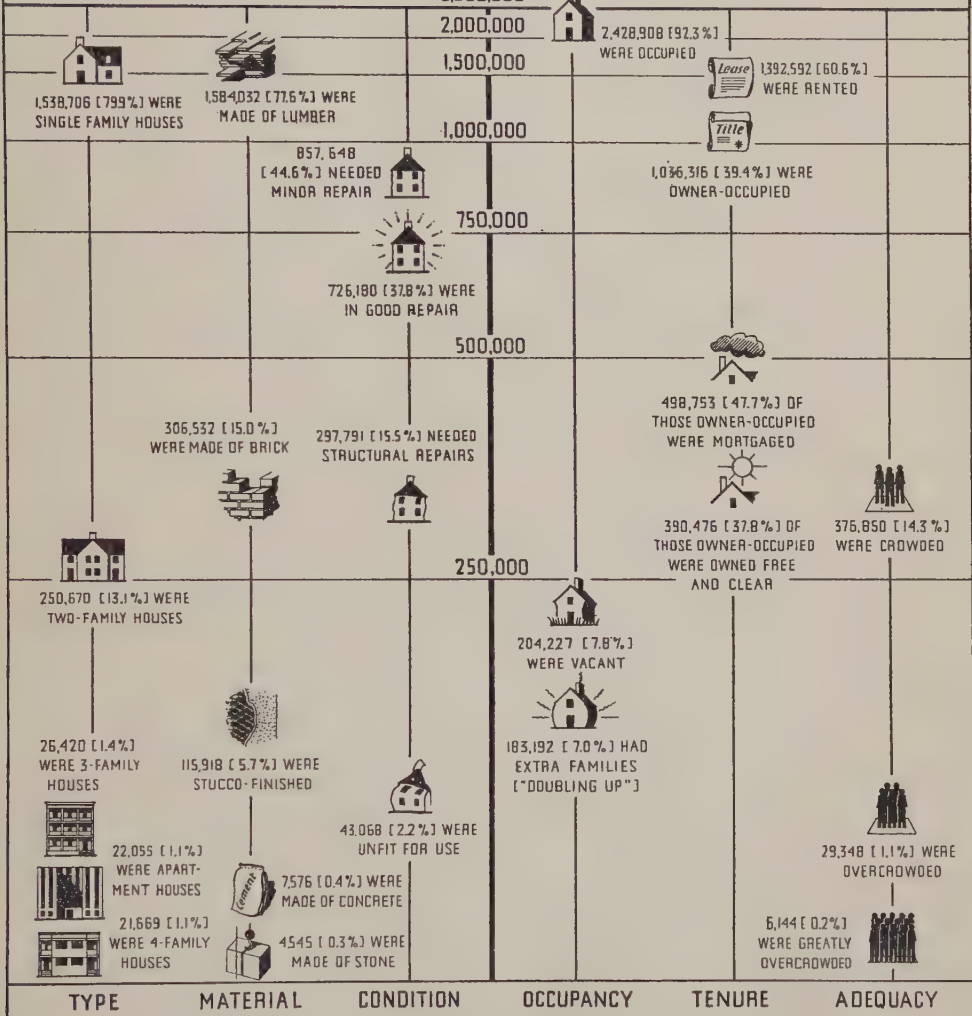
The Government Counted*

1,931,055 STRUCTURES with 2,633,135 DWELLING UNITS

of these

2,500,000

of these



Courtesy of the "ARCHITECTURAL FORUM"

THE FACTS ABOUT URBAN HOUSING

the rented homes. Only in the Pacific Coast cities was this relative position reversed, with nearly 22% of rented homes having mechanical refrigeration, while only 18% of homes occupied by their owners were so equipped. In the New England cities included in the survey and in those located in the South Atlantic and East South Central sections of the country the ratios for owner-occupied homes having mechanical refrigeration were over twice the corresponding percentages for rented homes. Only one city reported less than 10% of the homes occupied by owners to have mechanical refrigeration, whereas 23 cities showed less than 10% of the rented dwelling units to have such equipment.

The use of electricity and gas for lighting and cooking brings out similar interesting distinctions. Ninety-five per cent (95%) of all homes occupied by their owners used electricity for lighting, in contrast with 87% of the rented homes. Gas was used for cooking in 73% of the owner-occupied homes and in 67% of the rented homes. In only three sections of the country, the East South Central, the Mountain and the Pacific States, were less than half of the owner-occupied homes using gas for cooking. In the Mountain and Pacific states 18 and 19%, respectively, of the homes occupied by their owners used electricity for cooking, as compared with an average of 5% for all cities combined. Very similar conditions, although with varying ratios, prevailed for tenant-occupied homes.

SANITATION

The absence of sanitary plumbing on a larger scale than is commonly realized is one of the outstanding facts revealed by this study. Sixteen per cent (16%) of the homes occupied by their owners had neither bathtub nor shower. This ratio varied from a maximum of nearly 35% in the East South Central states to a minimum of less than 9% on the Pacific Coast. The figures are much higher for rented homes. Nearly 28% of these on the average reported absence of bathtubs and showers, while the range was from 14% to 58% without such facilities. Similar variations are found for indoor water closets. In two sections of the country over a third of the rented homes in the cities studied had no such facilities, while in three sections over one fifth of the owner-occupied homes were without this important sanitary accessory. These are most amazing data, in view of the fact that only cities were included in the survey. Extreme variations in all of these items are shown in the individual city reports.

VALUE OF HOMES

Reports from the owners of 860,465 single-family homes as to their estimates of the value of their property at the time the survey was made and a supplementary questionnaire filled out by 16% of these home owners for the fuller financial survey* made as a part of this study showed that the average value of owner-occupied homes as thus reported was \$4,000. The median value was \$3,580 while the arithmetical mean was \$4,600. Twenty-nine per cent (29%) of the homes fell in a value class with a midpoint of \$4,000. Nearly 18% were in the next lower class with an average value of \$2,500, while 17% were in the next higher class with an average value of \$6,250. Only 12% of the homes were valued at \$7,500 or more, as compared with 24% valued at less than \$2,000.

VALUE OF OWNED HOMES

VALUE		NUMBER OF HOMES	PERCENT OF TOTAL
Total	-----	860,465	100.00
Under \$ 1,000	-----	68,894	8.01
1,000- 1,499	-----	61,651	7.16
1,500- 1,999	-----	72,313	8.40
2,000- 2,999	-----	154,730	17.98
3,000- 4,999	-----	250,515	29.11
5,000- 7,499	-----	146,921	17.07
7,500- 9,999	-----	46,169	5.37
10,000- 14,999	-----	31,144	3.62
15,000- 19,999	-----	11,405	1.33
20,000-and over	-----	12,550	1.46
Not reported	-----	4,173	.49

One other item of interest is the extent to which homes occupied by their owners were mortgaged. Of the entire group of 860,465 single-family homes in the 64 cities covered, 54% were mortgaged. The ratio varied from city to city, the range being from 16% in Frederick, Maryland, to 76% in Waterbury, Connecticut.

RENTALS

Closely related to the question of the value of homes occupied by their owners is the rental rate for rented property. Over a million and a half (1,500,000) rented dwelling units were covered by the survey. A frequency distribution of these reports with the gross monthly rental rate as the basis for classification indicates that the average monthly

* Preliminary press releases have been issued. A complete report is being prepared.

rental rate was \$20. Nearly 26% of the items fell in the class ranging from \$20 to \$29.99. A very marked tendency towards the lower rental rates is revealed by the fact that nearly 52% reported rates of less than \$20 per month. These were divided into 18% in the range from \$15 to \$20, about the same in the range from \$10 to \$15 and over 15% in the group of less than \$10 per month. When the data are broken down between single-family and multiple dwelling units it appears that owners of the latter, which include apartment houses, are able to secure higher average rates. Over 20% of the single-family units rent for less than \$10 per month as compared with less than 12% of the multiple units. Over 57% of the single-family homes rent for less than \$20 per month, while less than 48% of the multiple units rent so low. In the upper ranges about 18% of the single-family homes rent for more than \$30 per month, whereas about 23% of the multiple apartments bring as high a rental.

Sectional differences in average rental rates are of interest as indicative of variation in housing standards. In the New England and Middle Atlantic cities the concentration was definitely in the \$20 to \$30 class. For East North Central cities there was a considerable spread between the various rental groups. In most of the southern and western cities low rental rates predominated while high rental rates prevailed in but 2 of the 64 cities—Fargo, North Dakota, and Reno, Nevada.

MONTHLY RENTALS

GROSS MONTHLY RENTAL	TOTAL ALL RENTAL UNITS		SINGLE-FAMILY DWELLING UNITS		ALL OTHER DWELLING UNITS (MULTIPLE-FAMILY)	
	NUMBER	PER CENT OF TOTAL	NUMBER	PER CENT OF TOTAL	NUMBER	PER CENT OF TOTAL
Total	1,597,208	100.00	676,341	100.00	920,867	100.00
Under \$10.00	248,650	15.57	138,290	20.45	110,360	11.98
\$10 — \$14.99	292,202	18.29	137,247	20.29	154,955	16.83
\$15 — \$19.99	284,173	17.79	112,517	16.64	171,656	18.64
\$20 — \$29.99	413,522	25.89	151,443	22.39	262,079	28.46
\$30 — \$49.99	272,104	17.04	96,703	14.30	175,401	19.05
\$50 — \$74.99	49,725	3.11	19,587	2.90	30,138	3.27
\$75 — \$99.99	8,111	.51	3,721	.55	4,390	.48
\$100 and over	4,709	.30	2,601	.38	2,108	.23
Not reported & Rent Free	24,012	1.50	14,232	2.10	9,780	1.06

THE AVERAGE AMERICAN HOME

From these data we make a synthetic picture of the “average American home”. This may be done for the country as a whole as revealed by the sample and also for individual cities. Differences between owned and rented homes may also be observed on this basis.

The typical or composite home may be selected by combining the more significant characteristics. The size factor may be measured on the basis of number of rooms, family capacity, or both. The type of building material such as wood, brick, stone or stucco is a second factor of importance. A third criterion is the kind of variety of heating, lighting and plumbing equipment. Equally important with physical characteristics is the economic aspect which is available in the form of the owner's estimate of the value of owner-occupied homes and in the form of rental rates for rented dwellings. Rental rates moreover may be modified by the variety and quantity of accessories which are included in the rent insofar as available data permit.

The typical American home as reconstructed from these statistics may be described as a single-family dwelling, about 19 years old, of wood or frame construction containing 5 rooms. It is equipped with either bathtub or shower and indoor water closet, it uses electricity for lighting and gas for cooking. For the country as a whole heating is by stoves, although over 31% of all dwelling units use warm-air furnaces. Coal is the principal fuel used.

THE ADEQUACY OF AMERICAN HOUSING

One of the most important questions that the Real Property Inventory may be expected to answer is, How adequately are the American people housed? No precise answer can be given to this question until a complete census of American housing is taken. It is possible, however, to use the Real Property Inventory data as "test borings" for the country as a whole. Since the numbers covered are both large and also carefully selected, such estimates should approximate the truth fairly closely.

VACANCIES

The survey would also seem to furnish a good basis for estimating the probable potential demand for new housing and for repairs and modernization. An examination of some of the supply and demand factors illustrates this. A total of 2,633,135 dwelling units were included in the survey in 64 cities, which in 1930 had a combined population of 9,793,371 persons. Of these dwelling units 204,228, or 7.8% of the total were vacant. These figures taken alone would seem to indicate surplus housing facilities in the cities studied, so far as supply is concerned. Such a conclusion would be misleading, however, since there are other aspects that need to be examined.

CONDITION OF VACANT DWELLING UNITS

CONDITION	VACANT DWELLING UNITS		VACANT SINGLE-FAMILY	
	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL
Total	204,228	100.00	85,567	100.00
Good Condition	51,558	25.25	20,127	23.52
Need Minor Repairs....	86,565	42.39	33,771	39.47
Need Major Repairs....	48,842	23.91	21,684	25.34
Unfit for Use.....	16,856	8.25	9,723	11.36
Not Reported	407	.20	262	.31

NUMBER OF ROOMS AND DURATION OF VACANCIES

NUMBER AND DURATION OF VACANCIES

No. Rooms	TOTAL	PERCENT OF TOTAL	1 Yr. OR LESS	PERCENT OF TOTAL	1 TO 2 Yrs.	PERCENT OF TOTAL	2 Yrs. & OVER	PERCENT OF TOTAL
Total	199,969	100.00	143,210	100.00	26,159	100.00	30,600	100.00
1 room	6,399	3.20	4,793	3.35	594	2.27	1,012	3.31
2 rooms	18,835	9.42	13,653	9.53	2,072	7.92	3,110	10.16
3 rooms	33,639	16.82	24,065	16.80	4,126	15.77	5,448	17.80
4 rooms	43,360	21.69	30,440	21.26	5,805	22.19	7,115	23.25
5 rooms	47,297	23.65	34,540	24.12	6,508	24.88	6,249	20.42
6 rooms	28,381	14.19	20,466	14.29	3,938	15.06	3,977	13.00
7 rooms	22,058	11.03	15,253	10.65	3,116	11.91	3,689	12.06

(No report—4,529 vacancies.)

LACK OF REPAIR

Reports were secured on the physical condition* of all properties canvassed. Of all dwelling units 58,747 were reported to have been in such bad condition as to be unsuitable for use as dwelling houses and yet 41,891 of these places were actually occupied. Moreover, of the 204,228 vacant dwelling units only 25% were in good repair. Over 42% were in need of minor repairs and nearly 24% were in need of major structural repairs which if postponed for long would result in rendering them unfit for further use. Data on the duration of vacancies indicates that 30,600 of the vacant dwelling units had been vacant for 2 years or more and 26,159 additional units for from 1 to 2 years. It is reasonable to assume that most of these properties are deteriorating and are probably in need of major repairs if they are not already beyond profitable repair.

* Houses were classified as in good condition if roofs and foundations needed no repairs, windows were intact and the condition of the paint satisfactory. Major repairs were defined as repairs to roofs or foundations, or structural repairs. Minor repairs were limited to repairs to porches, windows, chimneys, etc. The enumerators were instructed to report houses as unfit for occupancy when they were in such run down condition as to render them beyond economical repair.

CONDITIONS AS TO REPAIR

CONDITION	ALL DWELLING UNITS		SINGLE-FAMILY	
	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL
Total	2,428,907	100.00	1,451,239	100.00
Good Condition	946,553	38.97	579,533	39.93
Need Minor Repairs....	1,081,385	44.52	633,055	43.62
Need Major Repairs....	357,005	14.70	213,586	14.72
Unfit for use.....	41,891	1.72	23,928	1.65
Not Reported	2,073	.09	1,137	.08

THE EXTENT OF OVER-CROWDING

Leaving the supply data for the moment, what can be said of the demand side of the picture? Two sets of data need to be examined here—the density of population as measured by the number of persons per room in occupied dwelling units and the data on “extra” families. There were 414,837 dwelling units which were crowded to the extent that there was an average of more than 1 person per room.

These dwelling units made up 17% of the total. Nearly 16% of the total reported an average of between 1 and 2 persons per room, while 29,283 homes had between 2 and 3 persons per room, and 6,120 reported an average of more than 3 persons per room.

These data indicate a social need for more housing and for more than is available when due allowance is made for habitable vacancies. However, they tell us but little of the economic demand for new houses. To gain a better idea of the potential economic demand we framed a question on extra families in such a way as to bring this out. The enumerators were instructed to ask how many extra families resided in the home who would be expected to set up separate establishments of their own as soon as conditions improved. This question, avoiding the pitfalls of defining a family, was designed to give the information needed in estimating potential demand for new housing. The answers to this question reveal a total of 183,200 extra families or 7% of all families included in the survey. These extra families were about evenly divided between owner-occupied and rented homes. There was considerable variation, however, from one section of the country to the other, a variation which would have to be taken into consideration in estimating potential demand conditions for the country at large.

Taking all of these facts into consideration, it has been estimated on a preliminary basis that there is a potential economic demand for a million and a half (1,500,000) new dwelling units in urban United States.

The adequacy of American housing, however, must of necessity consider also such factors as plumbing, heating, and lighting facil-

ities. Whether we like it or not the facts clearly indicate widespread sub-standard living conditions throughout American cities. Small communities share with the large the doubtful honor of permitting large segments of our people to exist in the meanest sort of living quarters, many of which are highly insanitary and therefore a distinct menace to the health of our people.

NATHANAEL H. ENGLE

Assistant Director, Bureau of Foreign and Domestic
Commerce, U. S. Dept. of Commerce, Washington

RURAL HOUSING, *Rural*

THE FARM HOUSING SURVEY

The Farm Housing Project was initiated as a part of the recovery programme. It was believed by those who proposed this project that in the stimulation of building and in increased employment of workers in the building trades, and the industries associated with building, lay one road to recovery. The economists of the Department of Agriculture have repeatedly pointed out the close relation between the incomes of farm and industrial workers. Money spent in improving the farm home tends to increase employment in building industries, to increase demand for agricultural products, and to come back to the farmer in better prices for farm products.

Economic conditions in rural areas have brought about a housing situation little realized except by those closest to it. In better times the tendency was too often to put earnings back into the farm, thereby increasing production rather than satisfaction from farm living. As returns from expanded production became less, even the repairs necessary to keep the farmhouse warm and weathertight had to be sacrificed. In few communities were funds available for painting, for water in the house, or for electricity—all things that make a home more convenient and livable.

It was believed that the ascertaining of definite facts as to the actual conditions would advance plans for rural housing.

The objects of the Farm Housing Survey were stated to be

To measure the potential demand for improved home facilities; to determine the cost of providing such facilities; to develop plans for their installation, with standard specifications adapted to needs of typical sections; and to develop plans for financing their provision, as a preliminary step in the development of a public works programme for the improvement of the farm home and its equipment.

HOW THE SURVEY WAS MADE

The information collected was gathered through house-to-house visits in rural areas by women enumerators who filled in a schedule of some 300 items, covering general information on the house; the structural condition; space requirements; water supply and sewage disposal; light and heat; refrigeration, laundry, and cooking facilities; the landscaping; the need for repairs, alterations, and new installations under these headings; and the relative importance of such repairs and improvements in the mind of the householder.

In each county a man with training in architecture or engineering, or with practical experience as a contractor, selected from the schedules brought in by the women enumerators about 100 houses for special study as representative of the different conditions in that county. He visited each of those houses with a supplementary engineering schedule which provided for a rough sketch plan of the house and a detailed estimate of the construction required for repairing, altering, and otherwise improving the house. Through interviews with local dealers, contractors and farmers who had made recent repairs on their homes, he worked up a schedule of unit costs for such work in his county.

It was originally planned to study all the 6,000,000 farm homes in the country. This was found to be impracticable when the labor cost of such a study was calculated. It was agreed that a 10% sample would give a satisfactory picture of the needs of rural homes, and such a sample was used in the study, which covered 352 counties in 46 states. New York was not studied because a similar survey had recently been undertaken there; nor was Pennsylvania, because the Director of Extension did not think such a study could be successfully carried on in his state during the winter months.

The selection of the counties to be surveyed was left with the States. They were urged to select counties that were typical of certain areas of the state and to indicate the portion of the state they represented. In case a whole county was not studied, the area selected was a definite political subdivision, making possible a comparison with census data. The workers were urged to get 100% coverage of the area studied. More than 600,000 main schedules and 25,000 supplementary engineering schedules were completed.

Three hundred (300) items on each of the survey blanks were summarized in the states by untrained workers. This was a new venture but was remarkably successful. We were told to use as much human labor as possible and we did so. After the blanks were filled

out, they were edited and tabulated in the field on special tabulation sheets provided by the Washington office with detailed directions for editing and compilation. County and state summaries were sent to Washington for checking and final tabulation.

Sufficient original schedules were sent in from each state to make possible sample checks of the accuracy of the tabulations. The errors were in most cases 1% or less. Those having as much as 3% error were discarded and not used in the final tabulation.

The schedules and copies of the county and state summaries have been left in the state for use in planning local programmes. Two states, Arkansas and Iowa, have analyzed the data and published state bulletins embodying results and recommendations.

Ninety (90) of the most significant and clear cut items have been summarized on a percentage basis for 43 states. The average figure given for the state is a straight numerical average of the results from the counties studied; it is unweighted and not in all cases representative of the state as a whole. It is hoped that a further analysis of the figures can be made in the near future. In the meantime the state reports on the county basis have been of value in planning extension programmes on home improvement and have been useful to state and regional planning groups as well as to commercial agencies.

WHAT THE SURVEY SHOWS

Briefly, the survey indicates that probably 50% of our rural homes are in good structural condition. They may be poorly arranged—and most of them lack modern conveniences—but at least the house is reasonably sound. This speaks well both for those who built them and for the owners who have taken care of them during these lean years. On the other hand, 15% of the houses need replacement of foundations; between 15% and 20% need replacement of roofs; 10% to 15% need replacement of floors; and about 10% need extensive repairs or replacements of exterior walls.

Between the extremes of houses in good condition and those needing complete replacement of some part or all of the house is a large group needing extensive repairs of some kind, including much interior refinishing. Renewal of paint seems to be the most generally indicated need. Based upon the survey made by the engineers, the cost of the repair work would amount to about three and one-half billion dollars. This averages \$575 per house; and on this basis does not seem unreasonable.

The majority of rural houses are of frame construction. In the South and the West 1-story houses predominate. In New England most of the houses have more than one story and to a less degree the same is true in the North Central and Middle Western states. In general, there are more rooms per person in rural homes than in urban areas, though wide variation in this is found both in different sections of the country and in communities within states.

There is a wide variation among the states in the availability of electricity. The Southern states are lowest and the New England and West Coast states highest. In general, it is found that where electricity is available the other conveniences follow.

The following table summarizes the facts disclosed by the Survey:

THE FARM HOUSING SURVEY

Total No. of houses studied.....	622,413
Under 10 years old.....	15.6%
Over 50 years old.....	18.6%
Preponderant type, Frame.....	93 %
One story	57 %
Average No. of rooms.....	5.8
Average No. occupants per room.....	.80
Water supply in house	
Hand pump	13.2%
Running water	17.0%
Bath tub	11.5%
Kitchen sink with drain.....	27.2%
Electricity	
Home plant	3.9%
Power line	14.1%
Central heat	
Pipeless	2.5%
Piped	5.6%
Refrigeration	
Ice	25.0%
Mechanical	2.5%
Stoves (other than wood or coal).....	28.7%
Power washing machine.....	20.6%

PLANNING THE FARM HOME

The second part of the study, it is felt, has been of great value in setting standards for future rural home building. It has been felt for some time that too little attention had been given to the development of house plans especially adapted to rural needs. Too often the house is just built from a pencil drawing by the local carpenter, with many changes during the process of construction.

Seventeen (17) state colleges co-operated in this study. More than 100 plans were developed and 40 of these were selected for inclusion in a bulletin on "Farmhouse Plans."* These plans were prepared under the direction of agricultural engineers working in co-operation with home economists and architects. The kitchens have been studied and checked in detail as well as generally. By means of a special plan service, working drawings of these plans may be had for a nominal sum from state agricultural colleges.

THE COUNTRY'S NEED ON A REGIONAL BASIS

In order to check more in detail the needs of rural houses, particularly those small details which make for convenience of living, Maud Wilson of the Oregon State Experiment Station was loaned to the Survey to direct a study similar to one she had made of the needs of the farm houses in the Willamette Valley. On the basis of information sent in by home demonstration agents and leading farm women, checked by farm-management experts, the country has been divided into 12 areas within which home needs are similar. These areas were determined on the basis of climatic and topographic differences, combined with the demands made on the house by the prevailing agricultural crop. A map has been prepared indicating the division of the country into such areas. At the same time, the questionnaires gave information on a number of points in rural housing about which specialists have never been able to agree, and detailed information as to storage requirements was obtained. As a result of this, Miss Wilson has drawn up designs for storage areas adapted to different needs.

THE WORKSHOP OF THE FARMER'S WIFE

The kitchen is an important factor in making any home convenient and this is especially true of the rural home. The answers to the questions sent out help solve some of the problems of the special requirements of the rural kitchen. Most farm families do want space in the kitchen for an occasional meal. They need a supplementary work room, which should be close to the kitchen. In this the laundry work is done, the milk taken care of, and the heavier part of the canning work can be done.

These ideas have been incorporated so far as possible in the kitchens and work areas shown in the Farm House Plan Bulletin. We all have our pet ideas on kitchen planning, so a study of the basic principles has been undertaken to help reconcile some of these. Several conferences have been held, and as a result, these principles

* "Farm House Plans. U. S. Dept. of Agriculture Farmer's Bulletin 1738. Apply Supt. of Documents, Washington, D. C. 70 pp. Price, 10 cents.

have been drawn up in simple form and kitchens are being set up to demonstrate them.

ELECTRICITY IN THE FARM HOME

Rural electrification is going to play an important part in rural home improvement. Electric equipment must be less expensive. The women must be taught how to use it efficiently. Studies were initiated under the Farm Housing Project to get at the basic data which could be used as a guide in setting up specifications for such equipment and used in the preparation of material to guide the housewife in its selection and use. The Electric Home and Farm Authority, it is reported, has set up a plan by which electric equipment can be financed. If electrical current is to be generally available to farm homes, there must be an extension of transmission lines. As a part of the farm housing project, unemployed engineers were put to work studying the lines available in certain counties and indicating the areas to which new lines might be most profitably extended.

A study of the replies to questions on financing indicated that in the spring of 1934 a majority of farmers were not interested in borrowing money for home improvements—at least at prevailing interest rates. Better prices for farm products and the activities of the Federal Housing Administration have since stimulated some farm home improvements.

FINANCING IT

Certain farmers are in a position to borrow under the Federal Housing Act, by which loans to farm owners can be handled through the Production Credit Units of the Farm Credit Administration.

A number of those whose housing is in the worst condition are not in a position to borrow. Various plans have been proposed for raising the housing standards of this group. Long-term, low interest financing is essential if those who need it most are to be reached. Any successful plan should include provision for adequate technical guidance so as to avoid the mistakes of poor planning that have been made so often in the past. The established agencies for these two forms of aid are the Farm Credit Administration and the Extension Service of the United States Department of Agriculture and of the state colleges. It is hoped that some plan will be developed combining an adequate educational programme with provision for long-term financing of rural homes.

LOUISE STANLEY,
Chief, Bureau of Home Economics
U. S. Dept. of Agriculture,
Washington

THE TENNESSEE VALLEY PROJECT

There is one other activity of the Federal Government that has interest for our readers—although it has greater interest for city planners than it has for persons interested in housing—and that is the much publicized Tennessee Valley Authority scheme for the replanning and redevelopment of an area of some 42,000 square miles covering the basin of the Tennessee River as it sweeps through 7 states.

As our readers know, a far-reaching project is under way there on which the Federal Government is spending \$50,000,000* developing electric power and utilizing the Muscle Shoals and Norris Dam developments started by the Wilson Administration during the War. A city planner of national reputation was engaged at the outset of this work to develop it according to the best ideals of city and regional planning, and the work of replanning this vast area is going on at the present time under his direction.

The scheme's chief purpose is taking over by the Government of the production of vast electric power and selling this power ultimately to consumers. As part of this adventure into the field of public utility development, the opportunity is presented of planned existence through a vast territory.

Housing is but an incident to this colossal scheme.

In the Tennessee Valley not far from Knoxville, Tennessee, some 250 houses for the families of workers on the Norris Dam have been built. They are part of an initial programme for the housing of the workers in some 500 families in this area. Living quarters for more than half the workers will be provided in a large group of construction barracks on the outskirts of the development area, but in every way a part of the new town of Norris.

The development of the houses in this settlement adds nothing to the solution of the housing problem as understood in the United States, but it is interesting and significant that in planning this great area consideration has been given to the importance and desirability of having housing conditions on a proper basis.

* Probably much more than that by this time—Editor.

IS GOVERNMENT HOUSING LAWFUL?

Although the Federal Government is planning to spend 600 million dollars on slum clearance and rehousing projects, there is serious doubt as to whether the Federal Government has the right to spend a single cent for such purposes. In fact, it is a very doubtful question whether any government in the United States—federal, state or municipal—can undertake the building, renting and management of apartment houses or other buildings to be occupied by private individuals and families to the exclusion of others.

The Government, apparently, has been proceeding upon the basis that in times of Depression “anything goes” and that until they are stopped by the courts, they will proceed with this work and justify it on the ground that it is an “emergency” measure undertaken as a means of meeting the Depression, of furnishing employment to the unemployed, of rehabilitating industry.

This whole question of whether the Government has the right to undertake slum clearance and rehousing work is now in the courts. Three cases have already been decided by the lower courts; and one of these, at least, is likely soon to be heard on appeal by the higher courts—though not by the court of last resort. It would be a rash person, indeed, who would attempt to predict the position the courts will take on any public question in these unsettled times.

As has frequently been pointed out in these columns, the chief obstacle to effective slum clearance work in the United States—aside from the financial difficulties—has been the provision of our federal and state constitutions which forbids the taking of private property for other than a “public use”.

Upon the determination by the United States Supreme Court of what constitutes “public use” will the future development of government housing in this country depend.

So important is this question that it may not be inappropriate to re-examine it in the light of the present-day situation.

There have been three court decisions on this point in connection with the Government’s housing work—two of them decisions of federal courts and the third of a state court, the New York Supreme Court. No one of these decisions is controlling. All, however, are of great interest both to those who oppose and those who support the entry of Government into the field of housing.

THE CLEVELAND DECISION

The first decision, that of a United States District Court in Ohio, was in a case decided last July in connection with the taking of land for a slum clearance project in the city of Cleveland. Condemnation proceedings had been started by the Government for this purpose in order to quicken and facilitate the awards—there being, we understand, little objection on the part of the owners to the taking of their property. What may be described as a friendly suit was started to facilitate these awards by bringing condemnation proceedings. In over-ruling a demurrer on the part of the property owners' counsel, Judge Samuel H. West, of the United States District Court for the Northern District of Ohio, had the following to say:

There is no distinct challenge of the law upon constitutional grounds found either in the motion or in the answer, and I decline to hold that the law is unconstitutional even if it is intended to raise the constitutional question, which is a matter of considerable doubt in the court's mind. There may be some doubt as to the constitutionality of this law, no doubt there is a question, but if that question were made and presented here it would not have been shown to the entire satisfaction of the court that the law is unconstitutional, and I would therefore have so ruled. But, as I say, I am of the impression that the constitutional question is not directly made here.

The court, consequently, made a finding in favor of the Government and said further:

I think that the testimony shows that the property is being taken for a public use, especially in view of the declaration of our Congress in the Act itself, and what evidence we have heard here from the witness stand supports that congressional declaration.

IF NOT OF PRIVATE BENEFIT IT IS PUBLIC USE

And again:

There is nothing to indicate here that the direct object of the law and the proceedings that are being taken under it at the instance of the President is a private benefit to individuals. The whole purpose, although it is somewhat indirectly accomplished, is a public purpose in my judgment. Whether it is wise or unwise for Congress to permit the Executive to embark upon enterprises of this kind is something with which the court has nothing to do.

The court then cites the decision of the United States Supreme Court in the Rent cases, *Block vs. Hirsh*: 256 U. S. 135, where the Supreme Court sustained a law controlling rents in apartment houses—only, however, as an exercise of a necessary power during an emergency. Commenting on this decision, Judge West said:

I need not read more of the opinion. This indicates what is running in the mind of the court. That is a very fairly put authority for holding what we are dealing with here is after all a public use, especially in view of the fact Congress has so declared, and it is for that reason I hold it accordingly.

In seeking to obtain a copy of the text of this decision shortly after it was handed down, it was stated by the law publishers that inquiry had been made of the court but the court "did not care to have this opinion published".

We are not surprised.

In view of the issues involved and the long line of decisions on the subject of what constitutes "public use", we can understand that a judge might not care to have an opinion of this kind made a matter of public comment.

GOVERNMENT HOUSING NOT A PUBLIC USE

The decision handed down some months later by Judge Charles I. Dawson, in the Federal District Court for the Western District of Kentucky, did squarely review this question and decide it quite definitely.

Because of its great importance and its bearing upon the future of Government housing in this country, we are quoting it in full. The decision will be found reported in the case of *United States v. Certain Lands in City of Louisville*, 9 F. Supp. 137, handed down on January 4th of this year.

THE COURT FINDS

The court held that:

1. The national government has the power to condemn property within a state for ordinary governmental purposes.
2. The power of the national government to condemn property for purposes such as the one involved here is a new question and its proper solution calls for an examination of the inherent nature of the power of Eminent Domain.
3. Private property clearly cannot be taken for private use at all under the Fifth Amendment of the Federal Constitution.
4. There are two schools of thought exemplified in the decisions of this country as to the meaning and scope of the words, "public use"; one of these holds that public use is synonymous with public benefit, public advantage and general welfare, while the other holds that public use means use by the Government itself in the performance of governmental functions, or a use or service open or available to all or a part of the public as of right.

5. The power to levy taxes for the general welfare of the United States relates only to the power to tax and does not authorize the exercise of a power not committed to Congress; the power granted is that of laying taxes not that of providing for the general welfare.
6. There can be no doubt of the power of the States to condemn and destroy insanitary property under the Police Power, but the national government is not clothed with any such police power within the states.
7. The power of the national government to exercise the right of Eminent Domain cannot be based upon the existence of an emergency. The power must exist independently of such emergency.

The court concludes that no power resides in the national government to condemn property for the purposes of housing.

The court's decision in this case is as follows :

THE LOUISVILLE CASE

In this action and in two companion actions, numbered 1770 and 1771, the United States of America seeks to condemn certain property in the City of Louisville, Kentucky, for the purpose of securing fee simple title thereto in order to erect thereon a low-cost housing and slum clearance project, under the provisions of the National Industrial Recovery Act.

One of the defendants whose property is sought to be condemned in this action is Edward J. Gernert. Subsequent to filing the petition the plaintiff filed its written motion, asking the court to appoint commissioners to assess the damages of the respective owners of the property described in the petition. Thereafter, and before commissioners were appointed, the defendant Gernert entered his appearance to the action and filed a demurrer to the petition. On the oral argument it developed that the demurrer is based upon the contention of the defendant Gernert that the United States of America is without power to exercise the right of eminent domain for the purpose of acquiring property for low-cost housing and slum clearance projects. Aside from the failure of the petition to allege the inability of the Government to acquire the property by contract with the owners, this is the only issue presented, and, as this defect in the petition presumably can be easily cured, I shall treat the case as presenting the sole question of the constitutional power of the United States to acquire, through condemnation, property of citizens for the purposes and uses for which the property here involved is designed.

NATIONAL GOVERNMENT AND EMINENT DOMAIN

The power of Eminent Domain is one which is inherent in sovereignty, and, while the constitution of the United States does not confer this power in express terms upon the national government, there can be no doubt that it possesses such power within the field prescribed for the national government by the constitution. Indeed, its existence is clearly implied by that provision of the Fifth Amendment which prohibits the taking of private property for public use without just compensation.

It is thoroughly settled by decisions of the Supreme Court that the national government has the power to condemn property within a state of the Union for its use for ordinary governmental purposes, such as for postoffices, forts, arsenals, locks and dams on navigable streams, courthouses, lighthouses and the like, and for any other legitimate function of the national government. It is also equally well settled that the national government may condemn property for the establishment of national memorials, commemorating the valor and service of its soldiers and sailors or other public servants, which are open to the enjoyment of, and will serve as an object lesson to, all the people (*United States v. Gettysburg Electric Railway Co.*, 160 U. S. 668).

The United States, under the commerce clause of the constitution, has the power to condemn and to authorize private corporations to condemn rights of way for the construction of interstate railroads, and under the commerce clause and under the power of Congress to establish post-roads, to condemn or authorize the condemnation of land for national highways (*California v. Pacific R. R. Co.*, 127 U. S. 1); and I do not think at this late day the power of the national government to condemn property for public parks open to the use of all the people of the United States can be seriously questioned.

The power of the national government, however, to condemn property for purposes such as the one involved here is a new question, and the proper solution of it calls for an examination of the inherent nature of the power of Eminent Domain.

TWO SCHOOLS OF THOUGHT

The universal rule in this country is that the States can condemn private property only for a public use, and the language of the Fifth Amendment shows that the framers of the federal constitution intended that the national government should be similarly restricted. The prohibition in that amendment against the taking of private property for

public use, except upon the payment of just compensation clearly implies that it can not be taken for private use at all. However, there are two schools of thought exemplified in the decisions in this country as to the meaning and scope of the words "public use," when used in connection with the exercise of the power of Eminent Domain—one holding that public use is synonymous with public benefit, public advantage and general welfare, while the other holds that public use means use by the Government itself in the performance of governmental functions, or a use or service open or available to all or a part of the public as of right, irrespective of whether the title to the property condemned is vested in the Government or in some private agency.

It seems to me that the first theory is an entirely untenable one. The question of whether a certain use is for the public advantage, or is in the interest of the general welfare of the people is, generally speaking, a matter for legislative determination. If the property of the citizen can be condemned and taken, upon the payment of just compensation, simply because the legislative department of the Government may determine that the use to which this property is to be put is for the general welfare, the property of every citizen in this country would be subject to the whims and theories of any temporary majority represented in the legislative branch of the Government; and even if the legislative determination that a certain use is for the general welfare and public advantage is subject to judicial review, it is doubtful if the security of private property would be enhanced. The action of the courts in such cases would inevitably reflect the individual views of the judges on the question of public utility and general welfare. If, on the other hand, the right of the Government to take the property of the citizen is limited to strictly public uses, it seems to me that both the legislative and the judicial branches of the Government are furnished with a fixed and definite guide for their action.

SOME LEADING CASES

The Supreme Court of Maryland, in the case of *Arnsperger v. Crawford*: 101 Md. 247, 70 L. R. A. 497, in discussing the character of public use authorizing the exercise of the power of Eminent Domain, used this language:

There will be found two different views of the meaning of these words which have been taken by the courts—one, that there must be a use, or right of use, by the public, or some limited portion of the public; the other, that they are equivalent to public utility or advantage. If the former is the correct view, the legislature and the courts have a definite, fixed guide for their action. If the latter is to prevail, the enactment of laws upon this subject will reflect the passing popular feeling, and their

construction will reflect the various temperaments of the judges, who are thus left free to indulge their own views of public utility or advantage. We can not hesitate to range this court with those which hold the former to be the true view. We agree with the Pennsylvania court (*Farmers' Marketing Co. v. Philadelphia & R. Terminal Co.*, 10 Pa. Co. Ct. 25) that "the test whether a use is public or not is whether a public trust is imposed upon the property; whether the public has a legal right to the use, which can not be gainsaid or denied or withdrawn at the pleasure of the owner."

In the case of *Healy Lumber Co. v. Morris*: 33 Wash. 490, 63 L. R. A. 820, the Supreme Court of the State of Washington, in disposing of the contention that public policy and general welfare are synonymous with public use as a basis for the exercise of the power of Eminent Domain, used this language:

It might be of unquestionable public policy, and for the best interests of the State, to allow condemnation of lands in every instance where it would result in aiding prosperous business enterprises which would give employment to labor, stimulate trade, increase property values, and thereby increase the revenues of the State, even if the enterprise were under our form of government, between public and private prosperity that one can not be enjoyed to any appreciable extent without favorably influencing the other. But it is evident that this was not the kind of public use that was within the minds of the framers of the constitution, and it seems to us that the logic of those courts which have sustained appellant's contention is justified solely on grounds of public policy.

It seems scarcely necessary to particularize to show to what extent this doctrine might practically be carried. Under such liberal construction, the brewer could successfully demand condemnation of his neighbor's land for the purpose of the erection of a brewery, because, forsooth, many citizens of the State are profitably engaged in the cultivation of hops. Condemnation would be in order for gristmills and for factories for manufacturing the cereals of the State, because there is a large agricultural interest to be sustained. Tanneries, woolen factories, oil refineries, distilleries, packing houses and machine shops of almost every conceivable kind would be entitled to some consideration for the same reasons; thereby actually destroying any distinctions between public and private use; for, the principle in one instance is the same as in the other. The difference is only in degree.

In the case of *Bloodgood v. Mohawk & H. River R. Co.*: 18 Wend. 9, 31 Am. Dec. 313, the court said:

When we depart from the natural import of the term "public use" and substitute for the simple idea of a public possession and occupation that of public utility, public interest, common benefit, general advantage or convenience—or that still more indefinite term public improvement—is there any limitation which can be set to the exertion of legislative will in the appropriation of private property? The moment the mode of its use is disregarded, and we permit ourselves to be governed by speculations upon the benefits that may result to localities from the use which a man or set of men propose to make of the property of another, that moment we are afloat without any certain principle to guide us.

The Court of Appeals of Kentucky, it seems to me, by numerous decisions is in full accord with the courts just quoted from. See: *Chesapeake Stone Co. v. Moreland*: 126 Ky. 656; *Fitzpatrick v. Warden*: 157 Ky. 95. See also *Borden v. Trespalacios R. & Y. Co.*: 98 Tex. 494.

Lewis in his work on Eminent Domain, 3rd Edition, Section 258, after a full review of the authorities, and upon an examination of fundamental principles, rejects the theory that public benefit, public advantage, public policy and general welfare are the equivalents of public use. He says:

“Public use” means the same as use by the public, and this, it seems to us, is the construction the words should receive in the constitutional provision in question.

The reasons which incline us to this view are:

First, that it accords with the primary and more commonly understood meaning of the words;

Second, it accords with the general practice in regard to taking private property for public use in vogue when the phrase was first brought into use in the earlier constitutions;

Third, it is the only view which gives the words any force as a limitation, or renders them capable of any definite and practical application.

If the constitution means that private property can be taken only for use by the public, it affords a definite guide to both the legislature and the courts. Though the property is vested in private individuals or corporations, the public retain certain definite rights to its use or enjoyment, and to that extent it remains under the control of the legislature. If no such rights are secured to the public, then the property is not taken for public use and the act of appropriation is void. * * * * *

On the other hand, if the constitution means that private property may be taken for any purpose of public benefit and utility, what limit is there to the power of the legislature? This view places the whole matter ultimately in the hands of the judiciary, as though the constitution read that private property may be taken for such purposes as the Supreme Court deem for public benefit or advantage.

The public welfare is committed generally to the keeping of the legislature. It is a numerous body, coming directly from the people and supposed to be acquainted with their conditions and needs. All questions of general public welfare and advantage fall appropriately within the province of the legislature. They have opportunities for judging correctly, ways and means of information which the courts do not and can not have. It can not be presumed that the people ever intended to commit such a question to the courts.

Whether the public will have the use of the property taken under a particular statute is a question which may be readily determined from an inspection of the statute, but whether a particular improvement will be of public utility is a question of opinion merely, about which men may differ, and which can not be referred to any definite criterion. “The moment the mode of use is disregarded, and we permit ourselves to be governed by speculations upon the benefits that may result to localities from the use which a man or set of men propose to make of the property of another, that moment we are afloat without any certain principles to guide us.”

PUBLIC USE MEANS OPEN TO ALL THE PUBLIC

Therefore, on principle and in view of the authorities referred to, I am of the opinion that the power of Eminent Domain can be exercised only for a public use, and that such public use means a use by the Government for legitimate governmental purposes, or a use open to all the public, even though practically available to only a part of the public, whether the property condemned is held by the Government or by some private agency, and this public right to use must result from the law itself, rather than from the will of the governmental agency upon which the power of condemnation is conferred. Measured by these principles, is the proposed use of the property here sought to be condemned a public use?

* * * * *

(Here the court quotes the provisions of the National Industrial Recovery Act.)

I am satisfied that no court can reasonably disagree with the finding by Congress that a national emergency existed at the time of the enactment of the National Industrial Recovery Act, and I am of the opinion that no court can reasonably find that the emergency has yet passed; but the power of the national government to exercise the right of Eminent Domain can not be based upon the existence of a national emergency. The power, if it can be exercised for the purposes for which it is here sought to be used, must exist independently of such emergency. The emergency at most can only afford a reason for its exercise. (*Ex Parte Milligan*, 4 Wall. 2; *Wilson v. New*, 243, U. S. 332; *Home Building & Loan Association v. Blaisdell*, 290 U. S. 398.)

IS HOUSING A PUBLIC USE?

Therefore, bearing in mind the rule that the national government can exercise the power of Eminent Domain only for a public use, we must examine the statute under which the power is sought to be exercised to determine if the use contemplated is a public use, as I have heretofore defined that term. Certainly it is not a public use, in the sense that the property is proposed to be used by the Government for performing any of the legitimate functions of the Government itself. It is not proposed to use the property for the purpose of erecting buildings thereon to be occupied by any agency of the Government in performing its statutory or constitutional functions.

Surely it is not a governmental function to construct buildings in a state for the purpose of selling or leasing them to private citizens

for occupancy as homes. If such an activity is a governmental function, then the Government is likewise possessed of the power to acquire by condemnation farm lands, improve them, and then sell or lease them to citizens. Such a power would likewise include the right to acquire by condemnation live stock and machinery with which to stock such farms so acquired. It would include the power to acquire by condemnation mills, factories, mines and every conceivable kind of industrial plant, for the purpose of operating them in competition with private industry, or for the purpose of selling or leasing them to whomsoever the Government might wish.

HOUSING NOT OPEN TO ALL THE PUBLIC

The very suggestion of the extent to which the exercise of such power might be carried, it seems to me compels its rejection. The language of the statute forces one to the conclusion that the proposed buildings are to be constructed for the use of those private individuals who may be selected by the agencies of the Government for their enjoyment. The right to purchase the buildings or to lease them is not a right made available by the statute to all of the public upon equal terms free from the will of governmental agencies, or to any part of the public. The matter of whether the property will be sold or leased, and to whom sold or leased and upon what terms, is entirely within the discretion of the administrative branch of the Government, with no rule laid down in the statute which that department is compelled to respect or follow. Therefore, the buildings proposed to be constructed are not to be devoted to a public use, in the sense that they are to be used to house legitimate governmental activities, nor are they to be devoted to a public use in the sense that the statute makes them available as a matter of right to the public or any part thereof.

Counsel for the Government contend that the exercise of the power in this case is authorized by Clause 1, Section 8, Article 1 of the constitution, which provides:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excise shall be uniform throughout the United States.

It is contended that as this section empowers Congress to levy taxes for the general welfare of the United States, it, of course, possesses the power to appropriate these taxes to the general welfare, and that therefore the Government possesses the power to condemn property, to be paid for out of the money thus appropriated and to be

devoted to the purposes deemed by Congress to be for the general welfare. Just how far, under this provision of the constitution, Congress may go in laying taxes and appropriating public money for the general welfare is an open question; and in view of the holding of the Supreme Court in the case of *Massachusetts v. Mellon*: 262 U. S. 447, that a taxpayer can not question such appropriations, the limits of the power of Congress in this respect may never be authoritatively determined.

A TAXING POWER—NOT PUBLIC WELFARE

It may be conceded, however, that congressional appropriations under this provision of the constitution are not necessarily limited to those matters expressly committed to the control of Congress by other provisions of the constitution. On the other hand, it can not be conceded that this provision is a grant of general authority to Congress to legislate, other than by making appropriations, on any subject deemed by it to be for the general welfare. This clause, by its very terms, restricts Congress to providing for the general welfare through appropriations only, because it relates only to taxation and to the use of funds raised by taxation. It does not authorize the exercise by Congress of a power not committed to it merely that there may be brought into existence something for which appropriations may be made in the furtherance of general welfare. The power granted is that of laying taxes—not that of providing for the general welfare. The latter is only one of the purposes for which taxes may be levied. Therefore, the general power conferred by the constitution upon Congress to make all laws necessary and proper for carrying into execution the enumerated powers of the national government can not be exercised in aid of any supposed power of Congress to legislate for the general welfare. As to the power conferred in the clause under consideration, the general power referred to can be exercised only in aid of the power to tax, and, of course, to safeguard and control the expenditure of tax money appropriated to the general welfare.

NO QUESTION OF THE STATE'S POLICE POWER

No support can be found for the power here sought to be exercised in the well-recognized power of the States to condemn and destroy property found to be a menace to public health or safety. This is an exercise of the police power—not of the power of Eminent Domain; and the national government is not clothed with any such police power within the states.

The so-called Rent cases (*Block v. Hirsh* 256 U. S. 135, and *Marcus Brown Co. v. Feldman*, 256 U. S. 175) have been cited as persuasive authority for the exercise of the power here claimed, but, as I understand those cases, they throw no light on the problem here presented. Each of those cases involved the extent to which the police power may be exerted in an emergency. The case of *Block v. Hirsh* involved an Act of Congress applicable only to the District of Columbia, over which, by virtue of Clause 17, Section 8, Article I of the Constitution, Congress is given exclusive legislative power, including, of course, police power; the other case involved the extent of the exercise of its police power by the State of New York in an emergency. In each of these cases it is clear that the power to legislate for the general welfare exists as an independent substantive power. Here it is clear such a power does not exist.

For the reasons stated, I am forced to conclude that no power resides in the national government to condemn the property here involved for the purposes for which it is intended.

An order will be entered, sustaining the demurrer of the defendant and overruling the motion of the plaintiff to appoint commissioners.

CHAS. I. DAWSON
Judge

January 4, 1935.



It will be seen from a study of this decision that the court has thoroughly reviewed all of the elements that enter into the question at issue.

THE GOVERNMENT WILL APPEAL

Following the making public of Judge Dawson's decision, announcement was made from Washington that an immediate appeal would be taken to the United States Supreme Court, the court of last resort, and a few weeks later that court was asked by the Government to determine immediately the question at issue.

The Attorney General's petition recited the fact that unless the constitutional questions involved were settled quickly, "a chaotic condition" would occur in carrying out the programme of the Federal Emergency Administration of Public Works and stressed the argument that the undertaking of this housing work would provide employment for a vast number of men.

A little later, for reasons not disclosed, announcement was made that the request to the United States Supreme Court for an immediate review of the questions involved had been withdrawn by the Government and that the case would take the usual course of appeal from the decision of the trial court to the Federal Circuit Court of Appeals. If the decision of this intermediate court should sustain Judge Dawson and be unfavorable to the Government, it was announced that the Government will take the case to the court of last resort for ultimate decision.

In our opinion this should be done in any event, no matter which way the decision goes. The questions involved are of such vital importance to the country that they should be authoritatively determined.

A STATE COURT REVIEWS THE QUESTION

Quite recently a justice of the New York Supreme Court, Judge Charles B. McLaughlin, handed down a decision which discussed some of the questions involved in this issue (*Matter of N. Y. City Housing Authority, &c. (Muller)* N. Y. L. J. April 12, 1935). Here, of course, there were none of the federal questions involved of the right of the Federal Government to engage in such work, but the fundamental question of what constitutes "public use" was under review.

The opinion of Mr. Justice McLaughlin is in no sense controlling. It is the opinion of a single justice of the Supreme Court. There are 124 other justices of that court in New York state who may hold quite different views whose views would be equally controlling. The only ruling that would be controlling there would be that of the Court of Appeals, the highest court of the state.

Justice McLaughlin's opinion is not without interest. The case before him arose on a motion of the defendant to dismiss condemnation proceedings started by the New York City Housing Authority in connection with property which that body was proposing to take for a housing development.

On the question involved, Judge McLaughlin has the following to say:

The defendant Andrew Muller moves to dismiss the condemnation proceeding started by the New York City Housing Authority. This he does by opposing the petitioner's application for the appointment of commissioners of appraisal.

He urges only unconstitutionality, and while he has divided his brief into five points they are really but two, (1) that the act

allows a taking of private property for a private use, and (2) that the act is class legislation.

The right of Eminent Domain is a remnant of the ancient law of feudal tenure. In course of time the power to revoke the grants of lands was whittled away. The people still own the land with a power to take it back upon payment of just compensation if the taking back is for the use of the people.

The entire question before me is therefore whether this taking is for the use of the people. The two points, (1) Is this a taking of private property for a private use? and (2) Is it legislation for a class? are but one point. The people cannot, as long as the constitutions of the State of New York and of the United States remain in their present form, take private property for use of other than the people, even if they pay just compensation.

The case is very simple when the people take land to be used directly for governmental purposes. It becomes more complicated when the use is composite, i. e., partly by the people and partly by individuals for the benefit of the people. If we laid down the rule that all the people must be allowed to use the land without any discrimination as to their ability to pay we would at once prevent all condemnation by public service corporations. It has been held "the inadequacy of use by the general public as a universal test is established" (*Mt. Vernon-Woodberry Cotton Duck Co. v. Ala. Interstate Power Co.*, 240 U. S. 30). That must be so, for in few of the cases where condemnation has been allowed has there been any opportunity or right of 100 per cent. of the people to the unrestricted use of the land.

Is it unconstitutional to use land condemned for a park as a public golf course because only 500 persons out of the entire state population can use the course on any one day, and because for any five minutes not more than four can use any one tee?

Is it unconstitutional to condemn land for a hospital for the indigent because the millionaire will not be accommodated at all or only for pay? Is that taking private property for a private use when it is taken for the use of the poor? The defendant says his land cannot be taken by the people, because instead of housing sick on it, it will house the well to prevent them from becoming sick. Such an argument is not sufficient to have the court declare this law unconstitutional.

Nobody may question the statement that proper housing is not only a beneficent public act, but it is clear that it may not be left entirely to private enterprise. In the opinion of the legislature this agency has failed to remedy the unsanitary and sub-standard conditions in housing

that exist in some of our dwelling sections. The exercise of its police power by the state in the form of regulatory statutes has also been a failure in great part. It is true that these restrictive measures have been somewhat beneficial, but history and experience have shown that they were inadequate as a cure or to combat successfully the evils of the conditions they sought to remedy.

Something constructive was essential. For that purpose the legislature has passed this law. Great respect must be shown the deliberate finding of the legislature of this state as to the conditions and the necessary remedy, particularly where all other remedies have failed. The need for this legislation is present. It may not be questioned that the proper housing contemplated by this law will be a boon to the citizens of this state.

It is difficult to conceive of a law the purposes of which are more for the public good than the one under discussion. Similar legislation has been before our courts and they have invariably upheld the constitutionality of such legislation (*People ex rel. Durham Realty Corp'n v. La Fetra*, 230 N. Y., 429, 446; *The Hermitage v. Goldfogle*, 204 App. Div., 710, *aff'd* 236 N. Y., 554; *Mars Realty Corp'n v. Sexton*, 141 Misc., 622). The courts of other states and the United States Supreme Court have decided kindred questions in the same manner (*Strickley v. Highland Boy Gold Mining Co.*, 200 U. S., 527; *Mt. Vernon-Woodberry Cotton Duck Co. v. Alabama Interstate Power*, 240 U. S., 30; *Clark v. Nash*, 198 U. S., 361; *Roe v. Kansas*, 278 U. S., 191; *New Orleans Land Co. v. Board of Levee Commissioners*, 132 So., 121, *aff'd without opinion* 283 U. S., 809; *Butte, A. & P. R'y v. Montana R'y*, 16 Mont., 504; *Trenton Turnpike Co. v. Am. News Co.*, 43 N. J. L., 381; *State ex rel. Twin City Bldg. & Inv. Co. v. Houghton*, 144 Minn., 1).

The court cannot accept as controlling the case of *United States v. Certain Lands* (9 Fed. Supp., 137, 1769, Dist. Ct., W. D., Kentucky) if good law can readily be distinguished. The land there taken was not that of the sovereign who sought to condemn it. The sovereign there was the people of Kentucky. The United States was not exercising its feudal right. It was in effect an individual taking private property for its individual purpose. That the use would be of benefit to the residents of Kentucky was (if the United States is taking as a private person) beside the mark. That was for Kentucky to decide.

By this I do not mean to intimate that I take the ultra-conservative view of the Kentucky court. I think rather that the Government was exercising its right to condemn land for interstate uses. Even the Kentucky court recognizes that "there must be a use or right of use

by the public or some limited portion of the public," adopting the view of the court in *Arnsperger v. Crawford*: 101 Md., 247.

That the land covered by this petition is to be used by a limited portion of the public is without question.

The court holds, nevertheless, that the use here is a public use, i. e., to abolish disease-breeding slums for the benefit of all the people of the state, and to furnish "a limited portion of the public" (readily ascertainable) living quarters which will prevent disease. The People of the State of New York have the right to take back their land for such a purpose. The motion to appoint commissioners is granted. Settle order.

JOINT REFERENCE

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As will be noted, Justice McLaughlin distinguishes the case before him from the Louisville case just reviewed, differentiating the rights and powers of the Federal Government from that of a sovereign state.

Where the court errs, in our opinion, is in the failure to differentiate the two functions involved in the taking of this private property by the New York City Housing Authority.

There can be no question of the right of the State under the police power to take private property that is insanitary or dangerous to health or safety, but it must first be shown that such is the case. In other words, there must be, as in the English practice, a "finding" by the sanitary authorities that the property in question is dangerous to public health and unfit for human occupancy.

That it is within the power of the New York Housing Authority and of the state to take such action, there can be no question.

This, however, is a totally different question from the power of the city, as an agent of the State, to build upon the site thus cleared new housing to be rented to private families and individuals for their exclusive occupancy. That this is not a "public use" is pointed out in Judge Dawson's decision which we have given in full.

The city authorities in New York could, unquestionably, make other use of a site thus cleared and could devote it to public parks, street widening or to other public purposes.

This is a very different question from the city's entering upon the business of building, owning and managing tenements to be rented to private families, from which the general public will necessarily be excluded.

The ultimate decision of this question rests with the United States Supreme Court.

DO THE PEOPLE WANT PUBLIC HOUSING?

As we have pointed out in these columns the United States is without a Housing Policy and without a Housing Programme.

The housing work that it has undertaken up to the present has been undertaken only as an incident to the relief of unemployment and the rehabilitation of industry.

There has been no conscious effort—as in England and other European countries—by which the Government recognizes its responsibility for the providing of better living accommodations for the people as a whole, or for certain elements of the population who are unable to provide such accommodations through their own efforts.

There has been no consideration by the people of the United States as to whether they wish the Government to undertake such activities, as to whether they consider this a proper function of the Federal Government or one that should be exercised by the states or by the localities within those states.

With the advent of the Federal Government into the housing field and the contemplated expenditure of 600 million dollars of the taxpayers' money for that purpose, this question assumes an increased importance and is one which should have careful consideration by the people of the country as a whole.

Beside the questions of policy involved in so radical a departure from the course hitherto followed in this country, there are also serious constitutional and legal questions involved as to whether the Federal Government has the right to undertake such work. Whatever the courts may hold as to the right of the Federal Government to build flats and apartments in different parts of the country as an "emergency" measure to deal with unemployment, whether the Federal Government has the power to undertake this work permanently and in normal times is a quite different question; and depends largely upon whether such powers were included in the powers delegated by the respective states to the Federal Government when the country was established.

In England where the Government is achieving such important results in dealing with the housing problem, housing is a major political issue.

From the beginning, there has been public discussion of programmes and policies by the country as a whole. Such a programme and policy have been a part of the political platforms of the respective Parties contending for power, and every piece of legislation dealing

with housing introduced in Parliament has called for the fullest consideration and discussion by both Minority and Majority at every stage of the proceedings, with the opportunity that the legislative process affords in that country for a real expression of public opinion.

In England housing has proceeded according to an ordered plan. It is not a question of shifting or conflicting policies varying from day to day, actuated by all kinds of motives, but a consistent, logical, well-ordered carrying out of a policy decided upon in true democratic fashion by the representatives of the people in their legislative body—in a word, a government of law, not of men.

It has, moreover, been a programme and policy developed with full knowledge of the ability of the governmental organization of the country to handle it.

If housing is to become a permanent part of the work of the Federal Government in the United States, it should be upon a similar basis. The people of the country, as a whole, should have an opportunity to register at the polls their views as to whether they wish taxes to be imposed upon them for this purpose; whether they wish to shoulder the burdens of providing better housing accommodations for a part of the population who are unable to achieve better living conditions for themselves.

When the People have thus spoken at the polls and public sentiment upon the broad questions involved has been reflected by popular vote, there should be the fullest deliberation in Congress with regard to the details of any measure that may be formulated to carry out such a policy.

If the Government is to continue in this work and housing is to become a permanent policy of the country, then there should be the same opportunity for careful and deliberative consideration by Congress that we find in England and other countries.

These remarks are a prelude to a discussion of a measure recently introduced in Congress by Senator Wagner of New York,* making housing a permanent function of the Federal Government.

This Bill, known as the "Federal Public Housing Act of 1935," is sponsored by the National Public Housing Conference. This is a group of persons who have believed for many years that housing is a public function, and that no permanent solution of the housing problem can come, otherwise than through action by the public authorities—local, state and Federal.

* S. 2392, March 13, 1935.

Broadly speaking, this is what the Bill does:

It first makes a legislative finding that there are congested and insanitary housing conditions throughout the nation which affect the public health, safety, morals and welfare, and undermine the standards of living of the American people. Just what value that finding is is problematical. We fear that if this measure is ever enacted into law and this provision is considered by the courts, that the courts will hold it to be what Senator Root once described as "a stump speech in the belly of a bill."

The bill goes on to find, also, that these bad conditions of living cannot be corrected by private initiative and funds and declares "it to be the policy of Congress that the Federal Government should give financial aid by way of grants, loans and other assistance, so as to encourage local government in securing the gradual demolition of existing insanitary and unsafe housing, and the construction of new housing facilities in accordance with modern standards of sanitation, safety and comfort, all to be available at low rentals to persons of low income."

While there will undoubtedly be much dispute as to the accuracy of this finding and as to whether it is true that the correction of bad housing conditions is impossible by private initiative and funds, it is interesting and significant that no attempt is made in the bill—although it contains other definitions—to define what constitutes "low rental" and "low income."

The bill establishes in the Department of the Interior a Division of Housing under the control of a Director to be appointed by the President. This new Division is to supersede the present Housing Division of the Public Works Administration on June 15th of the present year, and all of the existing functions, property, appropriations, and personnel of that Division are to be bodily transferred on that date.

One of the unfortunate consequences of this Act—which we imagine has not been foreseen by its sponsors—is that it will very seriously disrupt, interfere with and delay the work now being undertaken by the present Housing Division of the Public Works Administration.

We think that this provision alone will be fatal to the measure. It would seem to us to be sure to incur the opposition of the Public Works Administrator, to say nothing of the Chief of the Housing Division and his staff, who can hardly be expected to look with favor upon a proposal of this kind which would require them to get rid of their present staff—carefully selected from the best available material throughout the country without the hindering restrictions of the civil

service requirements—and substitute for these men who now have been trained in their duties a new staff taken from the dead level of mediocrity which so often accompanies civil service employment in this country.

The duties of the Director of Housing are set forth in detail and indicate clearly that it is the intention of the sponsors of this measure to cover the entire field of housing through the activity of the Federal Government. His duties are stated as follows:

Sec. 3. (A) It shall be the duty and power of the Director to formulate and execute, and to aid in the formulation and execution of, slum clearance and low-rent public-housing programmes and projects, in accordance with the provisions of this Act and for such purposes:

(a) To prepare, and from time to time, to alter, amend, amplify, and to execute a long-range slum clearance and low-rent public-housing programme for the United States;

(b) To encourage, aid, assist, and cooperate with local public-housing bodies to formulate and to execute slum clearance and low-rent public-housing programmes and projects;

(c) To make grants and loans to local public-housing bodies in connection with any programme or project of slum clearance and low-rent public housing: *Provided*, That no grant shall be in excess of 30 per centum of the cost of labor and materials employed upon such programme or project, and that any interest charged on any such loan shall not be higher than the rate of interest specified in the bonds of the Federal Government having a term of ten years or more, last issued prior to the making of such loan:

And provided further, That when a loan has been made to a local public-housing body, in connection with any programme or project of slum clearance and low-rent public housing, the Division shall be in the position of a mortgagee not in possession and shall exercise no control over the acquisition of land, the construction, maintenance, operation, or management of the property and dwellings, unless and until a default has occurred in the payment of interest, amortization of principal, or otherwise in the faithful performance of any of the obligations assumed or undertaken by the local public-housing body to whom the loan has been made, but this proviso shall not apply to any programme or project already undertaken by any Federal agency or authority previous to enactment of this Act;

(d) To investigate, study and survey the social, economic, financial, legal, and other technical aspects of housing needs, conditions, and problems; to formulate standards; and to collect, publish, and distribute information relating to the creation and administration of local public-housing bodies and to the construction, maintenance, and operation of slum clearance and low-rent public-housing programmes and projects.

A radical change from the present policy of the Government is proposed by this measure. It will be recalled that when the Public Works Administration started to develop housing as a means of relieving unemployment and rehabilitating the building and allied industries,

its first programmes were based upon the formation of limited-dividend private companies in different parts of the country. These were to be formed by persons who would invest their funds in housing projects for which Federal funds would be loaned up to 85% of the total cost.

It will also be recalled that this method of procedure proved to be incapable of accomplishment owing to the fact that a sufficient number of persons could not be found in various localities who were willing to invest their funds for such purposes.

Consequently, the Government abandoned this policy and decided to undertake the work itself—no longer to lend funds even to private corporations or to local authorities in the various cities and communities of the country. Instead, it determined to clear slums, acquire the land on which such slums were located as sites for new developments, and develop new, modern, low-cost housing projects—these projects to be owned, operated and managed by the Government, at the same time securing as much cooperation from the municipal authorities as might be needed.

The measure now under consideration reverses this policy and returns to the earlier policy of local effort. It practically forbids the Federal Government to do what it is now doing. The housing projects to be developed under this bill must be developed by local public housing bodies with the aid of Federal funds and Federal grants and the Federal Government can only step in where local projects have defaulted.

The Bill appropriates 800 million dollars for its purposes. We commend a careful study of this measure to our readers.

The bill was referred to the Labor Committee of the Senate which will undoubtedly give hearings with reference to it in due course. It does not seem likely that Congress will enact a measure of this kind at the present time.

It is a good thing, however, to have this Bill before the country and give the people of the country a chance to consider and discuss these proposals.